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THE TWENTY-THIRD ANNUAL CONVENTION of the American Bankers' Association, which is now in session at Detroit, will no doubt prove to be one of great importance to the future of the association and to the banking public.

For a number of years there has been an undercurrent of dissatisfaction among the delegates who have attended the conventions at the restrictions which were alleged to be imposed upon the free discussion of topics relating to the organization and government of the association.

The constitution, in its practical working, has, from the commencement of the association in 1875, favored the retention of the direction of the policy and the management of its resources in the hands of a few of the more enterprising and influential members. As far as any influence is exercised among banks upon each other apart from any artificial association among them, it takes but a little examination to see that it is exerted on the natural lines of the banking business. Thus a large city bank, with a host of smaller banks as its correspondents, has a certain degree of power over these correspondents. The President or managing officer of the large bank is looked to for advice and assistance within banking lines. The officers of the smaller banks are anxious to stand well with their city correspondent.

Remembering this principle, which is held in check by the dependence for a great part of its strength which the city bank feels towards its clients, it will be found that when the American Bankers' Association was formed that it was organized with this fact fully in view. The first committee appointed to draft a permanent organization in 1875 consisted of men representing influential banks. The design of the constitution as first drafted was to retain as much

power as possible in the hands of an executive council which should exercise in the association functions analogous to those of a board of directors in a bank. The president, vice-president and other officers were entirely subordinate to the executive council and had no voice in its proceedings. The duties of the president were for many years practically confined to presiding at the conventions. The executive council in effect managed the affairs of the association through its secretary.

The object of the association was to include in its membership as many banks as possible, each of these members having the right to send delegates to the annual convention. It was soon understood that holding the conventions in successive different sections of the country would tend to collect a majority of the delegates at any particular convention from the section in which the convention was held. The full membership could not, in the nature of things, be represented at any one meeting—and if the majority in actual attendance were allowed to have their way, the association might be committed to a policy which would not represent the real sentiment of the membership. Therefore, there were wise restrictions as to the manner of proposing and passing resolutions. The executive council had great power in the initiation and continuance of discussions.

But the same restrictions which had so good effect in controlling the expressions of policy also applied to the election of officers. This, no doubt, for a time enabled men who once obtained a place in the executive council to secure almost permanent office and influence, and it became irksome to many delegates. This feeling brought about changes in the constitution, increasing the number of the executive council and preventing too frequent re-elections.

But notwithstanding these changes for greater liberality of elections, the plan of making nominations for the various offices still permits the immediate management to exercise great influence in the choice of those who are to be admitted to the government of the association. There are many qualifications to be made in regard to some of the causes of complaint, and it is with no wish to find fault that the ensuing criticisms and statements are made.

From the first the constitution provided that the president should have the power of appointing the nominating committee who were to nominate the candidates for the vacant offices. At first the convention had no control and the president selected the nominating committee. These again nominated as they saw fit. They generally presented a ticket to the convention, which the latter could confirm or reject. As a matter of fact, the nomination was usually equivalent to an election, for reasons to be mentioned hereafter. There was always more or less dissatisfaction with this, and then the present method

was adopted of each State delegation presenting a name to the president from which he selected a nominating committee of five or seven. This puts some check on the president by confining his selection of the nominating committee to a list of names furnished him by the delegates.

But this method, like the last, does not give full satisfaction, and amendments to the constitution to modify the manner of making nominations have been presented at the present convention.

It must, however, be remembered that there has always been the power to make nominations from the floor of the convention in opposition to the regular nominations of the committee. But this has never or seldom been exercised with any effect. And this, no doubt, seems strange, considering the dissatisfaction which has existed among delegates. One reason is the lack of time. The convention usually continues over three days, and the programme prepared beforehand by the executive council is interspersed with entertainments to the delegates given by the bankers and others in the cities where the convention is held. The nominating committee frequently reports towards the close of a long session. Numbers of the delegates are expecting the adjournment so as to be free to enjoy the entertainment furnished. The entertainers, too, are often impatient that their arrangements shall not be belated. Any delegates or set of delegates who undertake to oppose the regular nominations are apt to find themselves looked upon as bores and are able to effect little or nothing. Sometimes, in cases of great persistence, other influences may be brought to bear which have a tendency to repress those who are esteemed as kickers. Generally, therefore, the nominating committee has its way.

Perhaps the only way in which an election that will satisfy all could be brought about would be by some kind of a secret ballot. The nominations being first made secretly by ballot and the election following by the same method. This is, probably, the only way in which delegates could be freed from all disturbing influences. Then the programme should be so arranged that neither the nomination nor election be crowded into out of the way corners of the proceedings. In this way, it is believed, much of the dissatisfaction that now pervades the delegates with regard to the management of the association might be obviated.

The two amendments to the constitution proposed by BRADFORD RHODES, of New York, were referred to at length in the July MAGAZINE. (See pages 58, 59.) Both of the amendments were approved by the New York State Bankers' Association at its recent session held at Saratoga Springs, and the delegates to the National Association were instructed to vote and favor the proposed amendments to the

constitution. It is hoped that large delegations will be present at the Detroit convention from all the various State associations of banks and bankers.

THE CURRENCY COMMISSION recommended by President MCKINLEY in his recent message is a piece of machinery of very doubtful utility, but as a means of satisfying the minds of the large class of people who think something ought to be done and to relieve the impatience that prevails at the apparent delay in attempting the settlement of a question that is of so great importance, it may be a political necessity.

It is not believed that a commission will have any real effect in settling the currency question. When appointed and after it has completed its labors and made its report, this latter must at length go to Congress, and there the whole question will no doubt be again taken up and argued from the very beginning. A commission can hardly simplify the main difficulties of legislation, which are chiefly of a political nature.

Congress has, during its two or three sessions, previous to its present one, through its appropriate committee, done a great deal of work in collecting and considering information upon subjects connected with banking and the currency. These committees have had before them men prominent as financial experts. They have also evolved one or two plans of their own. In fact, these committees appear to have already gone over about all the ground that could possibly be covered by a currency commission. But the impatient waiting public does not consider all this, and the appointment of a commission would no doubt go far to satisfy the longing to see something started.

If prosperity should return and business begin to be profitable, the condition of the currency might to a certain extent be forgotten. A commission may serve a good purpose in keeping the necessity of reform in view and keep the subject from being pigeon-holed until another era of depression again awakens people to the defects in the financial laws of the country.

The Administration is more or less committed to the task of quieting the discordant elements in the currency scheme, but that they have not thus far done anything in this direction should not as yet be imputed as a fault.

The great deficiency in revenue which has been the rule since 1893, the difficulty of reforming the tariff so as to increase this revenue with fairness to the industries of the country, are adequate reasons why the first energies of the extra session should have been exclusively devoted to this great subject—nor ought purely political reasons to be decried. Whatever may be said, the country can only

be ruled effectively and wisely by a certain reconciliation of political differences, and it is reasonable that the men in power, who have attained eminence by means of their devotion to the art of making these reconciliations, should know something of what it is necessary to do to gain the necessary majorities for any particular measures.

The principle of the present Administration appears to have been to devote its energies to one important question at a time. This principle has been crowned with success in regard to the tariff, and when the currency question takes its turn it is to be hoped that it will be prosecuted to a satisfactory conclusion with equal energy and tact.

The financial expert who can construct a workable plan for mending the existing financial laws, and who, if power were given him, could no doubt put that plan in successful operation, is not such a rare person. There are no doubt many plans that would work well. But the financial expert as a rule is far from understanding or appreciating the difficulties that must be encountered before the necessary power to put any plan in operation can be delegated. He is impatient of the opposition that puts forward a reason manifestly unsound, to cover some concealed interest that is threatened by the proposed plan. The politician, who has his own interests or those of influential constituents to uphold, does not frankly say that he will oppose such or such a plan, because the voters in his district will not support him if he does. He gets up some kind of an argument against it. He raises all sorts of private objections with the gravest solemnity. The way to gain his support is not to show him that the plan is a good one; he probably knows that himself already, but he must be shown how he can gain personally by supporting the measure. This is politics.

All the promises during a campaign, the pledges and messages of the Administration in power, the reports of commissions, the reports of committees, are nothing but the preludes to and the covering of the real struggle. They are the costumes and clothes of the controversy. It is upon the proper and adroit use of the outside manifestations and a thorough and careful dealing with the real motives that control men, that the success of politicians and statesmen depends. The man who is a statesman to his friends and admirers is a politician to those who are opposed or indifferent.

Therefore, in regard to attaining the result of a satisfactory currency reform, it is well to consider whether the financial experts or the politicians are most likely to be the wiser. The men composing the Administration are doubtless in earnest in their desire to satisfy the popular demand for an improvement in the financial laws that will bring about prosperity and guarantee its permanence. They know better, perhaps, than any one else the extent and force of this

demand. They have seemed anxious to learn from those who understand the subject the best and most practical ways of meeting it. As to the preliminary steps necessary to gain the power to put these plans in execution they must know better than those who have not been engaged as seriously in the art of politics.

Therefore, there are many sufficient reasons why the apparent delay in approaching the subject may be the wisest course, and also why the approach by means of a commission may, notwithstanding many objections that are obvious, be an important and feasible way of gaining the end in view. The hesitation shown in sending in the message recommending a commission was, in itself, an indication of the political difficulties surrounding the subject.

THE RETIREMENT OF THE LEGAL-TENDER and other Government notes by the simple method suggested by the Editor of the MAGAZINE is attracting considerable attention. The criticisms are not all favorable, but the opposition to it seems to come from those acute and astute writers who appear to take pride in the very common ability to pick flaws in any proposition whatever. The opponents of this plan are also opponents of the plans for retiring the legal-tender notes by bond issues either confined to the banks or thrown open to the general public. In fact they do not want the legal-tender notes retired at all and therefore they would naturally oppose and belittle any plan having that object in view.

As the MAGAZINE, together with all competent financial authorities, believes that the Government should retire from the note-issuing business and delegate the furnishing of the paper money to the banks, there seems very little chance of meeting these critics on any common ground.

The "Chicago Chronicle" opposes both the FOWLER plan, which proposes to retire the legal-tender notes by the issue to the banks for circulation purposes of long-time two per cent. bonds, as well as the RHODES plan. The FOWLER plan is opposed because in times of widespread banking disaster it is said that the bonds would not sell for par, and the RHODES plan is opposed because the Government might at any time divert the trust fund of legal-tender notes which this latter plan proposes shall be deposited as security for bank notes.

The great bugaboo which rests at the foundation of the arguments againt the FOWLER plan is that the banks may at some time or other all become embarrassed together. But the probabilities of this ever happening are almost as remote as that the earth will be struck by a comet. Moreover, the embarrassments of the banks which have occurred since the resources and wealth of the country

have been developed, even in the worst times of the panics of 1873, 1884 and 1893, have been confined to a comparatively small proportion of the whole number of these corporations, and in no case has the bank currency been involved. The liabilities of the banks which placed them in difficulties were their deposits and not their notes. And there was no time when the currency of the banks was presented for redemption in a manner to compel any sale of bonds. Nor did the temporary embarrassment of some of the banks in meeting demands of depositors ever cause any permanent distrust in the minds of the public who have money to deposit. Since the panic of 1893 the deposits in all the banks have gone on increasing, showing that the thrifty and enterprising portion of the population have a well-grounded confidence in their general stability. The people who seem to be haunted with the constant dread of a great banking cataclysm appear to be those who have no money to deposit. In fact the banking institutions of the country could not universally go to wreck unless the business of the country and the Government itself went to wreck also. But there is little use of arguing against a cherished hallucination.

The MAGAZINE considers the FOWLER plan as one of the best for retiring Government notes by bonds issues, but believes the RHODES plan to be less expensive to the Treasury and consequently to the people than any plan involving the issue of bonds at any rate of interest.

The "Chicago Chronicle" opposes this plan because there is no absolute certainty that after the legal-tender notes have been deposited with the Treasury as security for bank circulation, that the Government may change the status of the trust fund so created. This is of course possible, as are a good many other things, but highly improbable.

The assumption upon which the plan rests is that the Government really wants to retire its demand notes as inexpensively as possible. If it does, it can do so by the RHODES plan. It is no argument against the adaptation of the plan to the object in view that the Government might after entering upon it change its mind and refuse to carry it through. Any plan conceivable would be open to this objection.

The uncertainty that under a popular form of government attends all legislation and public policy affects financial, as well as all other institutions, but is unavoidable and must to a certain extent be disregarded if anything is ever accomplished. It is like the uncertainty of the weather. It is this very uncertainty that makes it wise to narrow the functions of the Government as much as possible, and it is a step in this direction to retire all Government demand notes intended

to circulate as money and to relegate the issue of such notes to the banks.

The MAGAZINE agrees with the critics, that it is in the power of a sovereign State at any time to change the status of a trust fund held by it. It ought to be and generally is the policy of all enlightened States to hold trust funds sacred. The United States has generally done so, and probably will always do so. It was therefore deplored that in 1890 any change was made in the status of the National bank redemption fund. The change in this case was purely technical. There was no real breach of trust, nor has any bank or note holder lost by it. Yet as a precedent it was bad policy.

If to the question whether the Government should retire its demand notes, the reply is, no, then there is no more to be said; but if yes, then the principle underlying the RHODES plan affords one of the cheapest and simplest methods of retiring them and substituting a sound and elastic bank currency.

Even admitting that the treatment of a trust fund by the Government, instead of being governed by an enlightened policy, such as has, with little exception, prevailed in the United States, may potentially be subject to the caprice of a temporary necessity or convenience, the trust fund under the RHODES plan would as the plan developed be supported and held true to its original object by the constant pressure of a continually increasing necessity and convenience.

THE SETTLEMENT OF THE TARIFF QUESTION brings into prominence what has already been done in regard to currency reform. The bill for the appointment of a monetary commission on the lines of action suggested by the Indianapolis sound money convention has passed the House; a bill prepared by Mr. GAGE, Secretary of the Treasury, is spoken of which will be introduced at the December session. Many good authorities seem to think that prosperity will not return until the currency question has been settled in the interests of sound money by definite legislation. This opinion may, however, prove incorrect in view of the many signs of improving conditions that are now making themselves manifest.

The ability of the Administration to secure the passage of the tariff bill is in itself an encouraging sign that when the proper time comes for the consideration of a currency measure that it, too, will receive the definitive consideration of Congress.

The currency of the United States, bad as are the principles on which its issue is based, and likely as it is to cause complications in times of financial stress, has the confidence of the people as long as the credit of the Treasury is high. The condition of the Treasury is

improving from day to day and the condition of the exchanges and of trade with foreign countries both in products and securities is such as to almost preclude any large demand for gold for export. Therefore even though nothing was done at the recent session of Congress, this fact will not necessarily prevent the revival of business and the return of prosperity.

If before the meeting of Congress in December the revenues should indicate that the Treasury will be able to pay its way from month to month, with a prospect of a surplus when the new tariff shall be fairly under way; if present prospects of the demand for grain and other products are realized and the demand for our securities continues, it may be confidently expected that the promises held out of the return of prosperity following the election of Mr. McKINLEY can fairly be held to have been fulfilled. This will satisfy the public mind and so enlarge the confidence in the Administration that whatever is recommended by it will be more readily than ever acceded to by the majority in Congress.

THE FISCAL YEAR which ended June 30 shows an improving condition in the financial operations of the Government. Secretary CARLISLE estimated that the deficit for the year would be about $64,000,000, but the actual fact has been a deficit of $22,000,000 as against a deficit of $25,000,000 for the previous fiscal year. This reduction of the deficit has been made in consequence of the improvement in business and to some extent in consequence of increased importations due to the anticipated tariff changes. The importers, apprehending an increase of duties, have as usual laid in large stocks in advance. It may be anticipated that this fact will tend to diminish importations during the present fiscal year under the new tariff, but while this is true there will perhaps be causes to counteract this tendency in the general business conditions.

There is no country in the world where politics makes so sudden and important impressions on industrial conditions as in the United States, and no country where the changes in the revenue receipts from changes in industrial conditions are so marked. The panics of 1873 and 1893 were both immediately followed by a large falling off in revenue. But the return of confidence and the renewal of prosperity soon turned the current the other way, after the panic of 1873, and there are indications that the improvement in business conditions now becoming noticeable has and will continue to have the same effect on the revenue now.

It is probable that if Congress had reduced expenditures during the last two or three fiscal years that there would have been little or

no deficit. But the policy of reducing the amount of the stream flowing from the Treasury at a period when so much capital had been withdrawn from business, when so many sources of employment were dried up, would have increased the hard conditions already existing. The expenditures of a Government, which through the assumption of the control of the currency issues, and in numberless other ways have become so intimately connected with the business of the country, can not be reduced without tending to increase the existing depression. While the appearance of deficits in the Treasury statements has no doubt reacted unfavorably on the credit of the United States, yet this has probably done less damage than would have resulted had the Government followed the example of many private employers of labor and reduced the appropriations, which indirectly have furnished the means of occupation to large numbers of citizens. If it is sometimes considered wise policy for a bank, in times of financial disaster, to strain its resources and credit rather than seriously curtail its accommodations to the business public, much more has there been apparent wisdom in the course of Congress in refusing to reduce unduly the expenditures of the Government.

It is plain that the continuation of payments for pensions, for public works, and for the various Governmental purposes has been a strong factor in preventing increase in the depression, and in hastening the return of prosperity.

The immediate administrators of the funds of the Government naturally prefer to show an excess of revenues over expenditures. It redounds both to their credit as skillful financiers and to the ease of administration. Therefore it is natural that those who look at the finances of the Government from a narrow administrative standpoint should always demand reduction of expenditures as the exclusive remedy in times of difficulty. Congress has no doubt pursued the wiser course in refusing to listen to this demand. It did not behoove that body to add to the existing stringency of conditions.

It may of course be said that in respect to its finances the Government should be so entirely independent of the business of the country that the difficulties of the one would not be affected by the operations of the other. Whether this entire separation under the institutions that prevail in the United States is possible or desirable, is another question. It is believed that there should be entire separation as far as the function of issuing currency is concerned.

But however this question is answered the financial crisis of 1893 found the Treasury interests bound up with those of the business and industrial interests, and they could not well be separated during the succeding period of depression without causing further disaster. The Government in continuing the usual volume of its expenditures has

therefore gained more by the support this expenditure has given to several lines of industry encouraged by it, and the people who were supported by it in various lines of occupation, than it has lost by the deficits which have occurred. Already, contrary to expectation, the deficit has turned out smaller than estimated. The indications of a sure return to prosperity are numerous. With this return to prosperity revenues will rapidly increase and the deficit that has caused natural apprehension will disappear.

The MAGAZINE, however, is no advocate of extravagance in Government expenditures. The tendency in this direction both in State Legislatures and in Congress is such as to excite apprehension of all who have the good of the country at heart. But a certain degree of expenditure having once been entered upon, a period of depression would only be made worse by reducing it while that unfortunate condition continues. When prosperity returns, it then becomes the duty of wise administrators and legislators to retrench and prepare for future periods of industrial decadence.

The United States is so situated that it is very unlikely the country will ever become involved in serious conflict with foreign nations. The dangers to which we are exposed are internal. A financial and industrial collapse is to this country what expensive wars have been in the past and may again be in the future to nations less fortunately situated.

In time of peace prepare for war, has been the maxim observed among those nations from time immemorial. In an industrial age and especially in a country where the arts of peace usually prevail, another maxim should be substituted, and that is in times of prosperous conditions so guide affairs that when reverses come they may be met with intelligence and effect.

The danger is that the lessons of adversity are apt to be forgotten too easily.

THE DELAY IN CURRENCY REFORM is due to several causes. The first and most important was the necessity of regulating the laws for the raising of revenue so that the expenditures of the Government could be met. Of course, there are differences of opinion as to the methods that should be adopted and the Administration can only carry out a policy by securing a congressional majority in its favor. The people rely upon the President to carry out promises made in the campaign, but they exaggerate his power to do so and forget the nature of the power he really does possess.

The present Administration, while pledged to the maintenance of the present standard of value, was elected by a party that has held that the main difficulty with the finances of the country was the

deficit in revenue caused by an unwise change in the tariff laws. This party also admits that defects in the currency laws have also had a bad effect, although secondary to the main cause.

It was, therefore, to be expected that on the calling of the extra session of Congress the tariff would be first considered. It was not only the more important question from the standpoint of the Administration, it was also the easier of settlement. The President can only secure his wishes through the consent of Congress, and there were fewer diversities of opinion to be reconciled and more alacrity in taking up the tariff issue than in taking up that of the currency.

To secure and maintain the necessary supporters in both houses of Congress the President has to maintain amicable relations with the members. Unless he does so the fruits of his Administration will be very scarce. A President without a competent majority in Congress is a more pitiable spectacle than a prime minister without a majority in parliament. The latter can, to a certain extent, exercise coercion upon recalcitrant members by threatening a new election. If he is forced to carry out this threat, and finds himself still in a minority, he can, as a last resort, throw up the thankless job of trying to act without means, and let some one else try.

But a President with Congress in opposition is absolutely powerless in regard to new legislation, and to resign is not according to the traditions of our institutions. To hold a majority in a legislative body requires constant attention and exertion and the employment of all legitimate means for influencing the members.

When the attitude of Congress toward the currency reform question is considered carefully it will be found that there is no subject upon which opinions are more at sea. The main line of reform that has been indicated in the demands of experts has been the retirement of the legal-tender and, perhaps, other Government notes, and the substitution of some form of bank currency. The President's message indicated reform in this line, and it may be safely said that this would be most generally accepted as what is meant by currency reform. But there is also a large number of people who consider the necessary change to be the free coinage of silver. There are others who believe in bimetallism by international agreement; others who believe in the issue of notes by State banks, and still others who believe in increased issues of Government notes. Many of these beliefs are so diametrically opposed that they cannot be reconciled.

The substitution of bank for Government notes is, however, not incompatible with a change of the present standard of value, either to the free coinage of silver or to a standard based on some international agreement as to the ratio between gold and silver. Whatever the standard, the bank notes would be redeemable therein.

In reality the dread of a bank currency that lies at the bottom of the opposition to the banks, is based on the belief that such a currency would at once do away with the main argument for silver dollars with the mass of those who now support free silver, or a bimetallic modification of it. Most people who support free silver or bimetallism, pseudo or real, do so because they think there is not enough money in circulation. In other words, they believe in inflation of the currency. Now with a bank currency there would always be inflation, such as business requires. They recognize this, but the class spoken of do not want an inflation controlled by the banks. They have been too much impressed by the idea, inculcated by demagogues, that the banks would control this inflation in favor of the moneyed classes as against others. Therefore, they want either silver or paper controlled by the Government over which, by means of votes, they think they can exercise more immediate control by votes and public clamor than over the banks. The Government is nearer to them and more easily controlled than the banks. By delegating the issue of currency to the banks they are persuaded that they lose control of the money question. They do not perceive that the Government can control the issues of the banks as easily as it can control its own, by the method of delegation of the power to them.

In fact it is no real question of the standard that causes the trouble in reforming the financial laws of the United States. The mass of people know very little about a standard. They are concerned with the amount of money in circulation and the power to make it as great as possible. The root of all financial fallacies is the belief that the more money in the aggregate the easier for the individual to get what he wants. The banks are looked upon as standing in the way of inflation. All of the shades of conflicting opinion arising from this potent root are represented in Congress. There is also a great deal of indifference founded on the truly American idea that the country has great resources and must in the end thrive in spite of bad laws.

The proposition has been made to utilize the hostility to the banks by making them keep their reserves and redeem their notes in gold. This might be associated with the duty of issuing the currency of the country. In fact if it could be impressed on the minds of the people that the proper functions of banks is to assist the Government and the business public in all credit transactions, and that while rendering this assistance they only receive the same proportion of profit as is paid to those who render services of any kind, it would go far to do away with the senseless hostility to the banks.

It is thought that good effects will come from strong recommendation of an adequate financial plan by the Secretary of the Treasury in his report to Congress in December. This report, strongly endorsed

by the President, will launch the subject under the best auspices, and perhaps a better feeling will then prevail throughout the country. Business may have revived, and it will also be known whether any international agreement as to bimetallism is possible.

THE PROSPECTS OF BIMETALLISM by international agreement appear to be as uncertain as ever. From time to time reports are received as to the progress made by the commission of gentlemen sent abroad by the President to sound the feelings of European powers as to such an agreement. These reports are generally of a vague character, that no difficulties will be thrown in their way by the potentates of Europe or their prime ministers, or even that they will render the commission all the assistance in their power towards the accomplishment of the object they have in view.

But more lately that distinguished bimetallist, Prof. E. B. ANDREWS, has arrived from abroad and announces that "there is actually considerable prospect, owing to the manifest strength of the bimetallic interest in America, that France will agree beforehand to open her mints to silver." "If," adds the professor, "we reopen ours, even without such an agreement, France is certain to follow the United States. If France and the United States proceed, or either alone, Great Britain will heartily co-operate to the fullest possible extent short of coining full legal-tender silver at London; the India mints will reopen, the Bank of England will lay in a silver reserve and, perhaps, half-sovereigns be withdrawn in favor of silver certificates; further than this England will not go. European bimetallists nearly all think American initiative the sure way to international bimetallism."

This sounds very strong at first sight, but there are too many "ifs" and other qualifying terms in it to make it entirely satisfactory to any one less critical than the average American bimetallist.

It is remarkable that a few short years ago all genuine bimetallists in the United States were extremely positive that there could be nothing so fatal to genuine bimetallism as the free coinage of silver. This American initiative of which Professor ANDREWS speaks is nothing under the sun but the opening of the mints of the United States to the free coinage of silver. The advocates of free coinage of silver, like Messrs. BRYAN and TELLER, do certainly seem to have a right to style themselves bimetallists, since the bimetallists both in America and Europe now pronounce in favor of free coinage as the sure road to bimetallism.

The bimetallists are almost sure of France, and the certainty of England's doing something is assured, if either France or the United

States start in. To be sure, to an outsider it does not seem much that England is said to promise, but we agree with Prof. ANDREWS that it is a great deal to obtain from so obstinate a gold standard country as England.

Bimetallists, no doubt, regard such an admission as the entering wedge which will eventually disrupt this prejudiced obstinacy. Notwithstanding these favorable reports as to the encouraging progress made by the delegates from the United States, many of the out-and-out advocates of free coinage bimetallism still persist in regarding an international monetary conference as a fraud and a delusion. They refuse to believe the glowing reports sent over by these sanguine explorers of the European field. They have little confidence that France, much less England, will in reality repent and surrender its gold standard views.

In fact it must be confessed that there is reason to suspect that many of the encouragements that are extended to the people of the United States to go in and tackle the silver problem single-handed, are prompted by interested motives.

The nations of Europe having almost universally adopted the gold standard, are many of them loaded down with a surplus of subsidiary silver, or of silver coins once full legal-tender, but which practically are now subsidiary. These coins are kept at par by various banking devices which are difficult and costly to maintain.

If a country of such resources as the United States undertakes the free coinage of silver, it will afford a market at a good price for much of this surplus silver. The financiers of these nations are not averse to having this country pull their chestnuts out of the fire. The miners of the United States who are producing new silver do not, naturally, wish to have the bulk of this old stock come into competition with their new product.

There are also features of discouragement to bimetallists in the increased production of gold in Russia and Africa and more recently in the wonderful Klondike region in the Northwest Territory. If one-half of what is told about the latter be true, there is to be anticipated an increase in the production of gold that may have an effect on the minds of men similar to that experienced after the great discoveries of gold in California and Australia in 1849-50.

The fear was then openly expressed that all prices would be unsettled and the value of invested capital seriously affected. At that time the conditions were different in that the mints of most civilized countries were still open to silver, and there was no increase in the production of silver corresponding to that in gold. Although there was some increase in the price of silver as compared with gold, yet it did not amount to what was anticipated. Now silver has been

shut out from the mints. Its production has also enormously increased, and there is a potentiality of a still greater increase with any tendency to rise in price. It is of course impossible in so short a space of time to be sure that the value of gold may not sink in relation to silver, if there is a sufficient supply of the former, but it is probable that with the demand for gold that the wide adoption of the gold standard has created, all of the new supply will be readily absorbed without more than a healthy effect on the business world. The new supply will tend to give a firmer support to the system of credit that now rules the commercial world, and thus infuse an element of confidence that will enliven all enterprise.

Inasmuch as much of the demand for bimetallism arises from a belief that the gold of the world forms too narrow a basis for credits, the appreciable broadening of this basis will deprive the argument for the use of silver of a portion of its apparent force. The gold that has so far been obtained in the Klondike region has been the product of placer mining. These rich deposits in the beds of the rivers of Alaska and the Northwest Territory indicate, as they did in the rivers of California, a source either in the original quartz or in gravel beds that is proportionately rich. The placer mines of the Klondike are reported to be rich beyond any of similar character ever known, richer than those of California or Australia. The gold already obtained has been gotten by the crudest and simplest methods. If the back lying deposits from which the waters have brought the placer deposits are as proportionately rich, the production of gold with the introduction of new and improved machinery and methods will be beyond anything ever known.

It is certain that while some of the conditions of climate and distance are against the easy procurement of gold, there are others in its favor. There is abundance of water at all seasons, and in this respect when hydraulic mining is introduced it will have great advantages over the same form of mining in California.

On the whole there seems to be a prospect of a very important increase in the world's production of gold that may continue to augment for a number of years. If this should prove to be correct the work of rehabilitating silver will prove more and more difficult, as the supply of gold becomes sufficient for the increasing business of the world.

It is hardly to be expected that these increased difficulties will prove discouraging to the advocates of bimetallism who have in the past shown great capacity for maintaining a cheerful disposition under the most dispiriting circumstances. But the rise in the price of wheat, due to the large foreign demand, will deprive them of one of their stock arguments in favor of reopening the mints to silver.

THE BUSINESS REVIVAL AND CURRENCY REFORM.

Now that there are unmistakable and gratifying signs of a revival in the industries and commerce of the country, a disposition inimical to currency reform may be expected to be manifested by those who easily forget the lessons of adversity.

Doubtless nothing was to be gained by pressing this subject upon the recent session of Congress, as it became apparent early in the session that currency reform was not to be included in the programme. But with the reassembling of Congress next winter, the issue is sure to arise, and if it is not settled by the legislative body it will be fought out before the people in the national elections of 1898, for that that there is a growing sentiment in favor of a permanent adjustment of the matter cannot be doubted by any careful observer.

Many politicians are not disposed to give full credit to the manifestations of popular sentiment in any overwhelming direction. The politician feels himself deprived of his importance when he is deposed from his position of riding the whirlwind and directing the storm. As a rule he desires to minimize the results which he cannot conscientiously claim. In the late campaign the professional politicians were at a discount. The main issue was one which they have always avoided. It was forced on them by the intelligence of the people themselves.

What did the campaign in favor of sound money mean? How did it come that the monetary issue so absorbed the attention of the intelligence, wealth and population of the country? Was it a mere debating society that had its set discussion? Was it a purely sentimental and theoretical dispute conducted by disputants personally unaffected as to whether the gold or silver standard was the best? Was it analogous to a discussion as to the relative rank of the angels?

To those interested in that campaign it has been recognized as deciding an issue vital to every citizen of the United States. It came home to "the camp, the forum, the school;" to every home in the land. Was it simply a defensive fight just to preserve everything in *statu quo*, or was it the test of the feasibility of reforming the conditions that since 1893 have helped to depress all enterprise and discouraged the energies of the great mass of citizens. It is certain that there was an attempt founded in unreason to take a desperate course, and defy all established methods by which a nation can improve its condition.

To vote in favor of the gold standard was not merely to declare that standard to be theoretically the best, but to declare that methods shall be adopted to put it into practical and beneficial effect. The gold standard itself has been in operation in the United States since 1834, but it has never conferred its full benefits on the nation because in the various details which are necessary to place it in the best practical operation there have been serious practical defects. It was this failure to carry the currency system of

the country based on a gold standard to a practical development that has given the opponents of sound money their most plausible arguments.

From 1834 to 1862 the banking system of the country was dependent upon the laws of the States. The credit currency was furnished by the State banks. Some were conducted on sound principles, but a sufficient number were not, so that financial revulsions were constantly recurring. From 1862 to 1879 the country did business with an irredeemable paper currency. In the mean time, in 1878, a foundation had been laid for a circulating medium of silver. The fall in price of this metal left the currency founded on silver as a dead weight upon the nation to be lifted by great sacrifices to the level of the legal standard. From the resumption of coin payments in 1879, the country has taxed its resources to maintain the gold standard in the face of an immense coinage of silver dollars deficient in intrinsic value.

It is plain that even with the gold standard the business of the United States cannot reach and maintain the normal limit of prosperity unless approved currency laws are enacted.

The ideal system in civilized and enlightened nations of the rank of the United States is a basis of gold coin, supplemented by sufficient fractional silver coin. On this basis the banks issue a credit paper currency, which expands or contracts with the wants of business, redeemable at all times in the coined money of the country. The United States has departed from this ideal by issuing its own notes and by practically forbidding the banks to exercise the note-issuing function.

The decision of the last election was not only to maintain the gold standard but to put that standard into full effect. Broadly stated, this can be done by retiring Government notes and relegating the issue of credit paper money founded on the gold standard to the banks of the country.

One obstacle to an ideal currency system in the United States is the silver certificates. These, however, may be regarded as the representatives of the silver dollars coined and, altogether, silver certificates and silver dollars as a subsidiary silver money. The amount is, of course, excessive at present, but in a few years the country may not find it burdensome. Such as it is, the obstacle of the silver certificates and dollars may be disregarded. Another obstacle is the legal-tender notes of 1862 and the Treasury notes of 1890. These may be retired, or they may be absorbed in the operations necessary to reform the note-issuing function of the banks of the country.

During the last three years several plans have been suggested for reforming the currency system. The points in view with most of them are to retire the legal-tender and Treasury notes and to place upon the banks the duty of furnishing the paper currency required to supplement the coined money. These plans may be divided into two classes—first, those which contemplate an enlargement of the system under which the National banks now issue currency. This system is founded on the bonded debt of the United States. At present a National bank issuing notes must procure them from the Comptroller of the Currency by making a deposit of bonds with the U. S. Treasurer. The bank can obtain ninety per cent. of the par value of the bonds deposited. There is, moreover, nothing compulsory in the amount of currency which each bank may take for issue. Above a certain minimum of bonds which each is required to deposit, whether circulation is taken out or not, the mere question of its own profit or convenience is the only one which

the bank has to consider. When bonds are low in price the profit on circulation is greater. The demand for United States bonds for investment by the general public has so raised the price of bonds that as a rule the National banks have found no profit in issuing notes. Moreover, the fluctuations of the bond market do not correspond with the demand for currency.

A system like the national system, based entirely on the public debt, with no power of expanding the issues beyond a certain percentage of the security deposited, is admitted by all to lack the element of elasticity which a practical bank note currency should possess. The plans for the enlargement of the present system contemplate a larger percentage of issue on the security and a reduction of the tax on circulation. This might, perhaps, be sufficient if there was any prospect of an increase of the public debt to an extent that would for some years render it easy for the banks to obtain bonds at prices realizing a respectable rate of interest. As it is, there seems to be no prospect of any such increase of the debt. In fact, the probability is great that after the revival of business and the adjustment of revenue laws, the reduction of the debt will again commence and go on as before. There is every reason to believe that this will be the course pursued. Any plan that does not provide more certainly for the future than a mere enlargement of the principle on which the National banks now issue notes must be unsatisfactory. The evils of the rigidity of such a system are sure to be felt within a few years.

The other class of plans propose an issue of notes by the banks based on their own credit, good management being insured by Government supervision.

Under such supervision and the enactment of proper laws there is no doubt that a safe and elastic currency could be issued by the banks, State and National.

It is claimed that the sentiment of the present Congress is decidedly averse to retiring the greenbacks, the Senate being especially pronounced in its opposition to anything that would "fasten the gold standard on the country."

It is not assumed that this estimate of the sentiment of either the Senate or House is correct, or if correct that it is unalterable, for the force of intelligent public opinion has been known to exert a pretty strong pressure upon those bodies, as witness the passage of the law repealing the Sherman Act, which passed the Senate despite a very strong silver sentiment then existing in that body.

But even if Congress is not disposed to retire the greenbacks, it is no doubt due to political timidity and not to any lack of conviction of the wisdom of such a change in our currency system. There is an apparent disposition, too common in official circles, to underrate the intelligence of the masses of the people, while the favorite device of the demagogue who proceeds on this presumption of ignorance is to create antagonisms and to play upon the prejudices that are supposed to be held by those in moderate circumstances against those who have been more fortunate; but the late national campaign showed that this course was not effective.

It is to be hoped that the question of readjusting the currency system may not have to be made a political issue; but if it should be, the decision will no doubt be as wise as that made in favor of the gold standard at the late election.

MONEY ORDERS AND CIRCULAR CHECKS.

Considerable attention has been attracted to the recently-devised circular check system adopted by the banks of the State of Georgia, an account of which appeared in the proceedings of the bankers' association of that State. If the device is successful in every particular, we may look to its being adopted quite generally; and it is not impossible that banks may, in some measure, regain a portion of that constantly-growing business of effecting transfers of small sums of money which, with the revenue derived therefrom, has in the past quarter of a century been to a considerable extent taken from the banks by the postal and express money-order systems.

Few people appreciate the amount of the transfers of money effected by these means, and most of the readers of this MAGAZINE will no doubt be surprised to learn that during the fiscal year ending June 30, 1896, the post offices of the country issued 23,962,053 domestic money orders, involving the enormous sum of $172,100,649.02. For this service the Government received in fees $1,410,077.76 or an average of 5.88 cents for each order issued; the orders themselves averaging in amount $7.18 each. The amount of such orders handled by express companies cannot be ascertained, but judging by the numbers of the orders, the volume of their business in this line must be considerable.

To indicate the growth of the business of the Government money order offices since the organization of the system in 1865, the following statistics are presented:

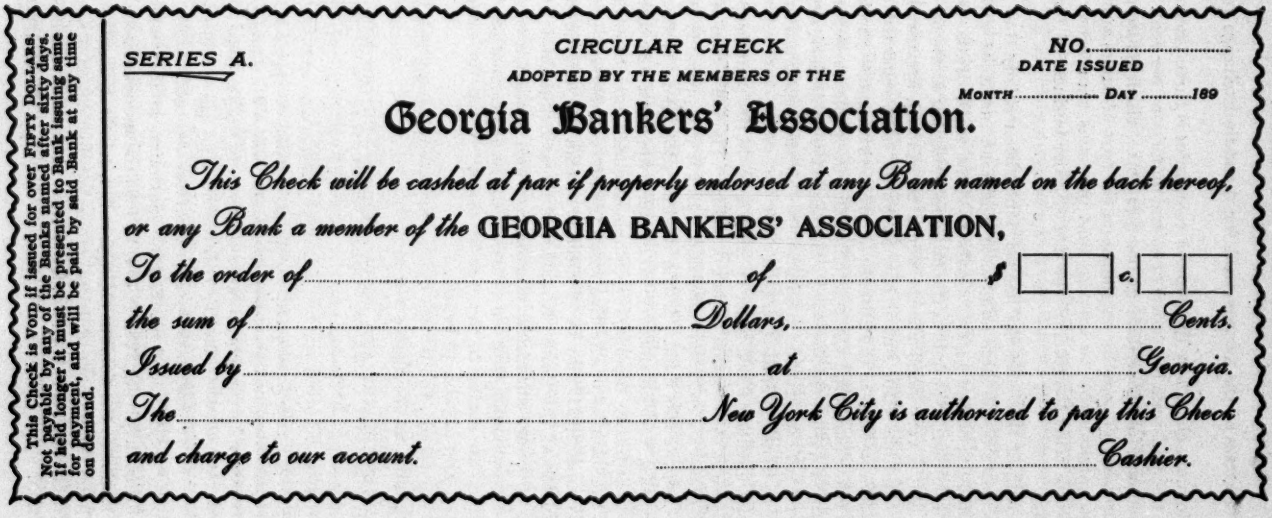
DOMESTIC MONEY ORDERS—UNITED STATES.

YEAR.	*Amount of orders issued.*	*Receipts from fees, etc.*
1865	$1,360,123.52	$11,536.40
1870	34,054,184.71	235,557.05
1875	77,431,251.58	494,717.27
1880	100,352,818.83	917,091.58
1885	117,858,921.27	925,125.03
1890	114,362,757.12	951,293.63
1895	156,709,089.77	1,292,331.97
1896	172,100,649.02	1,411,466 85

A steady increase is manifested excepting during the period about 1890, when the postal notes took the place of money orders to a considerable extent. The charges for the postal orders have from time to time been appreciably reduced; but notwithstanding this the revenue has steadily grown, and during 1896 it exceeded the expense of the system by $730,646.64.

In addition to this the foreign money orders issued now amount to very nearly fourteen million dollars, and number a million—giving an average of about $14 per order. The revenue derived was in 1896 $177,021, showing an average cost per order of 18 cents.

It will be observed that the public pays the post office more than eight-tenths of one per cent. for this service of transferring money, a rate which



This Check is Void if issued for over Fifty Dollars.
Not payable by any of the Banks named after sixty days.
If held longer it must be presented to Bank issuing same for payment, and will be paid by said Bank at any time on demand.

SERIES A.

CIRCULAR CHECK
ADOPTED BY THE MEMBERS OF THE

NO.....
DATE ISSUED
MONTH..... DAY 189

Georgia Bankers' Association.

This Check will be cashed at par if properly endorsed at any Bank named on the back hereof, or any Bank a member of the GEORGIA BANKERS' ASSOCIATION,

To the order of.....*of*.....$ ☐☐ c. ☐☐

the sum of.....*Dollars,*.....*Cents.*

Issued by.....*at*.....*Georgia.*

The.....*New York City is authorized to pay this Check and charge to our account.*

.....*Cashier.*

is greatly in excess of the average paid for domestic exchange furnished by banks.

The minimum charge by the express companies is three-tenths of one per cent., and the maximum (on orders of $5 and under) one per cent.; with probably an average fee of one-half of one per cent., which is also much larger than the ordinary charges for exchange on the part of banks and bankers.

It is not unreasonable to suppose that the sums transferred by express companies will bring the total of the money-order business of both classes to $225,000,000.

The growth of this business has no doubt been chiefly due (aside from the requirements of the large number of places not furnished with banks), to the disinclination on the part of banks to draw small drafts, especially for the general public. Not only is the business of issuing drafts for small sums, for which only a very small charge would be exacted, apparently too insignificant to trouble with; but it has ordinarily been regarded as attended with considerable risk, in the absence of protection against check raisers.

In this latter particular the post office and the express companies have in recent years protected themselves by the adoption of devices, simple in form and almost a sure safeguard; in addition to this the maximum sum for which orders can be issued is limited to $100.

The chief element which must be considered in the plan proposed by the Georgia Bankers' Association is that of safety. The limitation of the amount to $50 is no doubt a step in that direction. But it will probably be found convenient to remove this limit. If the devices adopted to secure the checks against "raising" are satisfactory, no reason is apparent why their use should not in the near future become very much extended, and thus bring back to the banks the business of effecting small transfers of money.

In this connection it may be of interest to scan the statistics of the postal money transfers of the United Kingdom of Great Britain and Ireland. The business is now (and since 1880) divided into two general classes:—"money orders"—corresponding with our orders of the same designation, and "postal orders" which are similar to the "postal notes" in use for several years in this country, and payable to bearer.

Unlike our people, the British appear to have taken a great fancy to the postal note form, as the figures will show:

DOMESTIC MONEY AND POSTAL ORDERS—UNITED KINGDOM.

YEAR.	*Money orders.*	*Postal orders.*
1865	£17,822,289	.....
1870	19,983,989	.....
1875	26,493,090	.....
1880	24,515,395	*£1,662,090
1885	22,263,899	10,096,770
1890	23,925,981	18,814,276
1895	24,953,332	22,759,282

*1881, the first year in which they were used.

The money orders issued reached the maximum in 1877 when 18,756,072 were called for, involving £28,078,364; in 1895 the number had diminished to 9,190,304, although the amount showed only a relatively small decrease. On the other hand the number of postal orders reached 60,681,078 in 1895, a remarkable total when it is borne in mind how extensively checks are used in Great Britain.

M. L. MUHLEMAN.

FOREIGN BANKING AND FINANCE.

The Economic Situation in Japan.

The forcible transfer of capital from China to Japan, and the stimulating effects of the recent war, appear to have produced the same results upon commercial movements which were produced in Germany after the Franco-Prussian war. A letter from Tokio in "*L'Economiste Francais*" of July 10 declares that the effects of the development given to industry, commerce and a multitude of great national works, as well as the rise of prices of all articles of primary necessity, were continued during all of the year 1896, rendering severe the pressure for money. The excess of imports over exports, which was constantly growing, created a degree of fear among the well-informed in financial matters, which was heightened by the news of inundations and hurricanes and intensified the spirit of distrust in the financial and commercial world. From September to October there were at Osaka suspensions of payments by one or two banks and at Tokio occurred protests of bills of exchange by several great cotton and silk commission houses. These events were regarded as the precursors of a perilous situation and the banks of the Empire redoubled their vigilance and reduced the demand for credit by raising the rate of interest. The general opinion was that the country was upon the eve of a crisis, but disastrous effects were averted which might have been felt without the precautions taken by the institutions of credit, and the end of December found the financial market calm and serene. An indication of the commercial activity following the war is afforded by the fact that the number of commercial societies, which was 622, with a capital of 57,168,500 yen on December 31, 1895, increased to 810, with a capital of 116,373,350 yen on November 30, 1896.

The Charter of the Bank of France.

The bill extending the charter of the Bank of France has successfully run the gauntlet of the lower chamber and is now in the hands of the Senate. The debate in the Chamber of Deputies was terminated on July 1 and the entire bill was passed by a vote of 396 to 91. The bill was taken up in the Senate on July 6 and a committee of eighteen members was appointed to give it consideration. The majority of this committee is favorable to the bill as it passed the chambers, except that there is opposition to the amendment depriving the Governor of the Bank of the right to sit in the national legislature. A great variety of amendments were offered during the closing days of the consideration of the bill in the chambers and the Government had a narrow escape upon several of them. The only case in which the Government was beaten, however, was in the minor matter of the legislative functions of the Governor and deputy governors. The provision that the functions of Governor of the Bank should be incompatible with legislative functions was carried by 303 votes against 236. It was then proposed to apply the same restriction to the deputy governors, regents and censors. The question was divided and

the restriction applied to the deputy governors, but rejected by eighty-one majority in regard to the regents and censors.

The second article of the proposed new charter was adopted without discussion. This article describes the powers of the Bank, in discounting bills of exchange and other commercial paper of fixed maturity not exceeding two months and endorsed by merchants, agricultural or other syndicates and by other persons notoriously solvent. An amendment was proposed by way of an addition to this article, authorizing the Bank to accept paper bearing two solvent signatures. It was declared by M. Cochéry, the Minister of Finance, that this amendment would disorganize the business of the Bank as now conducted by abolishing the functions of intermediaries and compelling the Bank to be much more strict in accepting paper than under the present practice. The amendment was rejected by 305 votes against 254. A long discussion occurred on the amendment proposed by M. Jaures, in favor of the creation of a central bank of agricultural credit, which should be established by means of a loan of 500,000,000 francs from the Bank of France. The Government, in combating this amendment, laid stress upon the fact that local banks were much more safe and efficient than a central bureaucratic institution for the extension of credit of this sort. M. Jaures endeavored to force the hand of the Government by a motion that all discussion upon the pending charter should be adjourned until the Government brought in a special project upon agricultural credit. This motion was defeated on June 21, by 372 votes against 181. The amendment for a central bank of agricultural credit was then rejected by a vote of 397 against 109. Another proposition, that the Bank of France should furnish the capital of an agricultural bank to the amount of 60,000,000 francs, was rejected only by a vote of 287 against 258.

Several amendments of a socialistic character were offered to the article reported by the commission consecrating to the foundation of an agricultural bank a portion of the payments make by the Bank of France for its privilege. M. Maurice Lebon, in discussing one of these propositions—that the Bank should lend its support to syndicates and corporations of workingmen for the establishment of industrial enterprises—declared that such suggestions were a proof of the wisdom of refusing to transform the Bank of France into a bank of state, since a bank of state would be subject every instant to such demands and would become a sort of bank of providence rather than a properly conducted business enterprise. Under such a system, he declared, aid might be extended for a moment to commerce and industry, but the credit of France would soon disappear. This amendment was rejected by 359 votes against 152, and others of a similar character were rejected by large majorities.

Some discussion arose towards the close of the debate regarding the Bank of Algiers, which is in some difficulty. The ministry announced that they intended to ask the extension of the charter of the Bank of Algiers for two years, in order to afford opportunity for consideration as to its future. M. Toussaint offered an amendment, that in case of continental war the cash reserve of the Bank of France should be at the disposition of the Government for the purpose of national defense. This was rejected by a vote of 387 against 62. The Government refused to disclose their secret treaty with the Bank in regard to the action to be taken in case of war and refused to state whether the Government would assume the right to issue paper notes.

The Savings Banks of France.

The rapid growth of the Savings banks of France during the last quarter of a century is set forth in a striking manner in an article in "*L'Economiste Européen*" of July 9. The first French Savings bank was authorized by a decree of July 29, 1818, but it was not until 1835 that the dozen or more banks which had been founded were organized upon a uniform system. The number of books then out was 121,500 and the deposits were 62,200,000 francs ($12,000,000). The revolution of 1848 resulted in the failure of some of the banks and an arrangement by which they repaid their depositors with national securities instead of cash. The rate of interest paid was reduced under the Empire and a limit of 1,000 francs put upon the amount allowed upon any one account. The postal Savings banks were not created until 1880, and they do not yet carry more than a quarter of the aggregate deposits. The same Act raised the maximum deposit to 2,000 francs and permitted the amount to be deposited at one time. This brought into the Savings banks, for investment in national securities, much capital which might better have been employed in other channels. The rate of increase of deposits in both classes of banks during the last few years is indicated by the following table:

DECEMBER 31.	*Private Savings Banks*		*Postal Savings Banks.*	
	No. of Accts.	*Amount Due.**	*No. of Accts.*	*Amount Due.**
1869	2,130,800	711.2	.....	.....
1875	2,365,600	660.4	.....	.....
1880	3,841,100	1,280.2	.....	.....
1885	4,937,600	2,221.3	602,500	154.1
1890	5,761,400	2,911.7	1,604,600	413.4
1896	6,626,700	3,370.8	2,688,100	786.1

* Millions of francs.

Great Britain's Investments Abroad.

An interesting review of the growth of British investments in foreign countries is presented in "*L'Economiste Européen*" for June 25, in the discussion of some of the results of Victoria's reign. These investments had attained some magnitude at the beginning of the reign and investors had already suffered losses in 1837, when a loan to Buenos Ayres had been in default for ten years, a Colombian loan for eleven years, one of Guatemala for two years, of Peru for twelve years and of Mexico for six years. Investment abroad went on expanding, however, in spite of the demand for railway capital at home, until Great Britain became the owner of many of the railways, mines and industrial societies of the world. M. Edmond Théry, the editor of "*L'Economiste Européen*," considers one of the English estimates a trifle excessive, which puts the foreign loans of Great Britain at £3,000,000,000 ($15,000,000,000). He states that the foreign securities actually owned by British capitalists do not exceed 55,000,000,000 francs ($11,000,000,000), providing an annual revenue of about £80,000,000 ($400,000,000). The net excess of British imports over British exports has for several years past been in the neighborhood of £130,000,000, but so far as this computation is accurate at all, the difference to be accounted for, in excess of interest payments on foreign loans, may be attributed largely to the freight earnings of British vessels. As M. Théry remarks, even the adoption of the lowest figures ex-

plains wonderfully the universal preponderance of the financial markets of England.

The Banks of South Africa.

A review of the experiences of the banks of South Africa during the past ten years is made in the London "Economist" of June 19, including the presentation of the balance-sheets for 1896. The South African banks have had two great crises to face—one connected with the opening of the diamond mines, which attained their highest output in 1881, and the other relating to the later discoveries of gold in the Witwatersrandt region. The collapse of the diamond boom carried the deposits and current accounts of the Standard Bank, the strongest institution of South Africa, from £7,350,256 at the close of 1883 down to £4,768,914 at the close of 1886. Only three banks doing business in 1886 now survive, two having suspended payments in 1890. Two new banks were formed in 1891, and the effect of the gold boom may be judged from the increase of the aggregate deposits of the banks from £8,147,239 on December 31, 1886, to £28,179,671 on December 31, 1896. The Standard Bank held £13,490,121 of this amount in 1896, the Bank of Africa £4,378,209, the Natal Bank £2,849,676, the African Banking Corporation £3,722,305, and the National Bank of the South African Republic £3,739,360. The increase has been almost wholly within the past three years, since the deposits at the close of 1893 were only £14,215,075. The combined liabilities of the banks, which were £13,090,519 at the close of 1886, were £38,388,196 at the close of 1896. All the countries of South Africa have participated in the extension of banking facilities, the number of branches of the banks having risen from 87 in 1886 to 200 in 1896. The offices in Cape Colony increased from 61 to 89, in Natal from 10 to 16, in the Transvaal from 4 to 55, while there are now banking offices in the Orange Free State, Rhodesia, East Africa and Zululand.

The Associated Swiss Banks.

The general meeting of the associated Swiss banks took place on June 12, at Berne, under the Presidency of the Bank of Basle. The central committee, consisting of the Bank of Basle, the Bank of Commerce of Geneva, and the cantonal banks of Berne, St. Gall and Vaud, was unanimously continued. A proposition of the Bank of Geneva, that the matter of importing five-franc pieces be taken in charge by the association and the cost divided among the banks *pro rata* in the proportion of their note issues, was recommitted to the committee without prejudice. A proposition was also referred to the committee, upon the proposition of the Bank of Basle, for the revision of the existing agreement between the banks, with the view to the creation of a central bureau of transfers, or clearing-house, and in a general manner for rendering the existing *regime* of the plurality of banks of issue as advantageous as possible for the public, even though the system was soon to be superseded. The committee for considering these subjects was increased by the addition of the cantonal banks of Zurich, Schaffhausen and Neuchatel and the Italian Bank of Switzerland at Lugano. A proposition of the Bank of the Grisons was adopted, for calculating discount hereafter for paper drawn and payable at a single place in Switzerland upon the basis

of a year of 360 days, and a month of 30 days. This provision went into effect on July 1.

The Gold Standard in Japan.

It will be difficult, in the opinion of the Yokohama correspondent of the London "Economist" (in the issue of June 19), for the Japanese Government to retain gold in the country after it begins gold payments. The imports of gold during 1896 exceeded the exports by 8,221,000 yen ($4,100,000), and during the first two months of this year the excess was 13,166,000 yen, but the view that gold will be exported is based upon the continued depreciation of silver, which has carried it below the ratio fixed by the new coinage law. Regarding the position of the Bank of Japan, the correspondent of "The Economist" declares:

"The note circulation on December 31 last was 188,000,000 yen, with a treasure reserve of 41,600,000 silver yen and 89,000,000 silver yen worth of gold; whereas on April 24 this year, a lapse of barely four months, the note circulation was 174,000,000 yen, against a reserve of 47,800,000 silver yen and 55,400,000 silver yen worth of gold. It will be seen from these figures that during the period from December 31, 1896, to April 24 this year, whilst gold has been so largely imported, the gold reserve of the Bank of Japan has declined from a value in silver yen of 89,000,000 yen to 55,400,000 yen, being a reduction of 34,000,000 yen. How this has occurred is not explained, but it is probably represented by a transfer from the Bank of Japan to the Government Treasury, where the gold will be required later on for the purpose of redeeming silver yen, and no doubt the transfer forms part of the scheme connected with the indemnity. This, however, is only surmise; but anyway it would be more to the credit of Japan and more satisfactory to the public generally if matters of this kind were made less mysterious."

Coinage of the Latin Union.

Negotiations have been set on foot by the Swiss Government for the assembling of representatives of the Latin Union States, with a view to some additional coinage of subsidiary silver. M. Lardy, the Swiss Minister at Paris, has been authorized to sign a convention, subject to the approval of the Federal Assembly, amendatory of the monetary convention of November 6, 1885. Article nine of that convention limited the subsidiary silver coinage of each country of the Union to an average of six francs per head, coined upon the basis of 0.835 fine. Article six prescribed that the public offices of the contracting states should accept these coins issued by other states to the amount of 100 francs. The exodus of subsidiary silver from Italy in 1892 and 1893, under the influence of the depreciation of her paper currency, flooded France and Switzerland for a time with an excess of silver. The conference held at Paris in 1893 resulted in an arrangement on November 15 by which Italy agreed to take back her silver pieces at their face value in gold and to pay for them half in gold and half in bills of exchange. France by a law of March 22, 1894, approved this arrangement and on July 25 prohibited the importation of Italian silver money. The sum of 75,182,000 lire was returned to Italy in silver and France coined 12,000,000 francs in pieces of two francs, one franc, and 50 centimes, which brought her silver up to the limit permitted in 1885. The increase of population and the disappearance of much of the silver heretofore coined has now made it necessary to increase slightly the amount in circulation, in order to promote the convenience of small trans-

actions. The question has at once been raised where the silver shall be obtained for the new coinage—whether it shall be purchased in bars in the market or shall be obtained by melting down the big five-franc pieces which are piled up in such quantities in the Bank of France, the National Bank of Belgium, and the banks of Switzerland. It is significant of the sobriety and intelligence of the French bimetallists that they are willing to have the subsidiary silver obtained by melting down the five-franc pieces. M. Edmond Théry, the accomplished editor of "*L'Economiste Européen*," says in the issue of July 2:

"So long as the problem of international bimetallism shall not be solved and so long as the Latin Union proceeds under the *régime* of the convention of 1885, France ought energetically to oppose any new coinage of silver money by the Latin Union, because the present state of our exchanges would have the effect of bringing into our circulation the larger portion of the money issued by our associates. If the new subsidiary coins decided upon by a future conference are minted by each country from five-franc pieces bearing its imprint and already in circulation, there will be only a transformation of the white metal and the quantity of coined silver will not be increased for the aggregate of the contracting states. We believe that this is the solution which the conference will adopt."

Circulation of the Bank of Germany.

The necessity of extending the limit of circulation of the Imperial Bank of Germany continues to attract attention in Europe and is the subject of an interesting communication by M. Arthur Raffalovich in "*L'Economiste Français*" of July 3. The limit of notes which might be issued without a metallic coverture was fixed in 1875 at 250,000,000 marks which has been increased to 293,000,000 marks by the lapsing of the circulation of some of the smaller banks. Every mark beyond this amount must be represented by an equal amount of coin or become subject to a tax of five per cent. It was supposed, when this legislation was framed, that the rate of discount at the Bank would be raised in order to contract the circulation when any portion of it became subject to the five per cent. tax. This has not been the case—not because the Bank has failed to exercise due prudence in raising the discount rate when the exchanges were unfavorable, but because the needs of domestic circulation have been constantly increasing. M. Raffalovich says upon this point:

"If one groups year by year the cases in which the bank has been compelled to pay a tax to the state, one finds that seven times the discount has not varied. It would seem to result from this that the system conceived by Michaelis has not operated as its author expected. It seems that the Bank of Germany has not hesitated to sacrifice the interests of its shareholders to considerations of a more general character. It has distinguished between the demand for notes caused by the interior needs of the country and the circumstances in which a drain of gold abroad might occur. It has been guided not by the importance of the demand to be satisfied, but by its quality and nature."

The bank has, for these reasons, failed to raise the rate of discount above five per cent. on twelve of the twenty-six occasions on which it has been compelled to pay a tax upon the excess of its note issues. The necessity of either abolishing the limit or advancing it several hundred million marks is beginning to be recognized by the Minister of Finance, and some change is likely soon to be proposed by the Government. One of the changes suggested is the modification of the rate of tax so that it will follow a sliding scale proportioned to the discount rate.

Banking and Financial Notes.

—The condition of the Imperial Ottoman Bank has not been improving during the past two years. The assets fell from £19,603,918 on December 31, 1894, to £13,231,731 on December 31, 1896. The bills receivable fell during this period from £1,676,906 to £633,136 and the advances on securities from £4,920,797 to £2,590,705. The political disturbances in Turkey, and the fact that the Bank has made large advances to the Government, are the chief cause in the decline, but it is charged that the Bank stimulated speculation during the boom in "Kaffirs" in 1895 by advancing money to its customers with which to carry the securities. The dividend of the Bank for 1896 was fixed at five per cent., as compared with six per cent. for 1895 and eight per cent. for 1894.

—The demand for new capital for foreign loans and domestic companies in Great Britain during the first half of 1897 is close to the high total of 1896, the total applications having amounted to £75,892,700, as against a total of £79,494,000 for the same period of 1896. Foreign Government loans have taken £5,055,400, Colonial Government loans £9,278,300, British municipal and county loans £4,082,500, foreign railways £3,268,000, exploration, land and financial companies £3,627,500, cycles and appliances £5,624,000, breweries and distilleries £10,145,700, stores and trading £4,262,000, mineral water companies £3,480,000, and manufacturing companies £3,511,900. The money actually called up during the half-year amounted to £35,481,000.

—The rise of the premium on gold in Paraguay to 700 per cent. has at last persuaded the Government to take measures to bring about a reform. The Government has organized a bureau of conversion, whose task will be to regulate the price of gold. It is declared that when the Government desires a rise or fall in the quotations, the bureau will receive its instructions and take the necessary measures for carrying them out. This is all the information attainable at present on the subject, but apparently the purpose of the new bureau must be to buy and sell exchange with a view to influencing the market. This course is some times effective with strong governments or banking houses, but with weak establishments a temporary rise in exchange is apt to be followed by a disastrous reaction which is beyond the power of the Government or the bank to control.

—The weekly report of the Austro-Hungarian Bank for June 19 showed that the bank's stock of gold increased during the week by 8,000,000 florins, a greater increase than was ever before reported in a single week. Austria is pursuing persistently and firmly the policy of accumulating gold under the currency laws of 1892, with a view to the resumption of gold payments. The Bank owned in gold and gold bills, in August, 1892, about 94,500,000 florins, which has been increased in less than five years to 394,500,000 ($150,000,000). The Bank received notice on June 16 that £120,000 had been despatched in Australian sovereigns, and received on June 19th 1,500,000 florins in bullion and American coin. A purchase of £20,000 was made the following week in London at the price of 77 shillings, 11 5-8 pence per ounce, and this has been supplemented by the shipment of $1,500,000 in gold bars from New York on July 31.

C. A. C.

*LOANS OF THE UNITED STATES.

TREASURY NOTES OF 1837.

In the year 1836 the United States was for the first time in the history of the country practically out of debt. The Secretary of the Treasury, in his report to Congress dated December 8, 1835, estimated the amount of the public debt still outstanding at about $328,582.10, and this remained unpaid solely because payment had not been demanded, ample funds to meet it having been deposited with the Bank of the United States and with the Commissioners of Loans. The outstanding debt consisted mainly of unclaimed interest and dividends, and of claims for services and supplies during the Revolution, and of old Treasury notes, and it is supposed that payment of these had not been asked for because the evidences of the debt had been lost or destroyed. At the same time the estimates of the receipts and expenditures showed the probability of a surplus of at least $14,000,000 in the Treasury at the close of the year 1836, and this estimate was as events showed far below the truth. In this favorable state of the public finances Congress adopted the extraordinary resolution of depositing the surplus over $5,000,000 with the several States, and under the Act of June 23, 1836, surplus revenue amounting to $28,101,644.91 was so deposited.

In 1837, however, the state of the country had changed. The flush times of 1835 and 1836 had been succeeded by extraordinary depression and panic. In May most of the banks suspended specie payment. The sales of the public lands and the duties on large importations of goods which had helped to swell the balance in the Treasury to over $42,000,000, had fallen off enormously. Even on the goods already imported, it was difficult to collect the duties, for the law required them to be paid in specie and specie was hard to obtain. It became impossible to deposit the fourth installment of the surplus with the States at the end of 1836, and even to meet the current expenses of the Government from the ordinary revenues.

The Secretary of the Treasury suggested that contingent authority be given the President to cause the issue of Treasury notes bearing six per cent. interest. The bill to authorize the issue of not exceeding $12,000,000 was introduced in the House of Representatives September 13, and debated at length in both the House and Senate. It was supported on the ground that the issue of Treasury notes was absolutely necessary, there being already a deficit of $2,000,000 likely, in the condition of the country at that time, to increase; and that so large an amount added to the circulating medium would tend to alleviate the prevailing distress. The bill was opposed by those who thought greater economy in expenditures would relieve the

*Continued from the April, 1896, number of the BANKERS' MAGAZINE, page 545.

This series of articles, which began in the JOURNAL for October, 1893, page 1074, will be continued from time to time until it includes a complete historical sketch of the loans of the United States from the foundation of the Government up to the present.

Treasury, and by others who denounced it as an attempt "to start a Treasury bank." The bill passed the House by a small majority, while in the Senate there were but six votes against it. It was approved October 12, 1837.

It authorized the President to cause the issue of Treasury notes in such sums as the exigencies of the Government might require, not exceeding in the whole $10,000,000, of denominations not less than $50, redeemable one year after date, bearing interest from their respective dates for one year at rates to be fixed by the Secretary of the Treasury, but not to exceed six per cent. They were to be issued in payment of debts due by the United States to such public creditors or others as chose to receive them in payment at their par value; were to be transferable by delivery and assignment indorsed on them by the person to whom they were made payable, and were receivable in payment of all duties and taxes laid by the United States, of all public lands sold by the same authority and of all debts due to the United States, credit to be given for the interest due upon the notes at the time of payment. The Secretary of the Treasury was authorized to borrow not below par such sums as the President might deem expedient on the credit of the notes.

Under this Act the full amount authorized, $10,000,000, was issued.

Treasury Notes of 1838.

The condition of the country and the public finances was no more favorable at the close of the year 1837 than at its beginning. There was in the Treasury January 1, 1838, an apparent balance of over $34,000,000, but of this amount the largest portion consisted of unavailable funds. It was made up of the amount deposited with the States, $28,101,644.91; of money belonging to the Government deposited with suspended or insolvent banks; of amounts due from merchants on bonds given for duties on imports, difficult or impossible to collect, and of various other items, aggregating altogether so large an amount that the Secretary estimated the available balance at the close of the year at $1,118,393 only.

It is probable that this estimate was too large, as the President informed Congress in May, 1838, that the available means in the Treasury were only $216,000. Demands to a large amount were suspended in the Departments, waiting payment from means yet to be provided by Congress, and the resources on hand could carry the Government but a few days longer. The dues to the Government being largely paid in the Treasury notes of 1837, which the Department was forbidden to reissue, the revenue was practically almost nothing, and it became absolutely necessary to provide additiona means. A bill to allow the issue of Treasury notes was introduced in the House May 23, passed both the House and Senate after a long debate, in which the same objections were urged as to the Treasury notes of 1837, and was approved May 31, 1838. It was, when introduced, entitled, "A bill supplementary to an Act entitled an Act to authorize the issue of Treasury notes," and it was stated that no additional notes were intended to be issued, but that only the old notes paid in were to be replaced by new ones. The title was however changed before its passage to, "An Act authorizing the issue of Treasury notes to meet the current expenses of the Government."

This Act authorized the Secretary of the Treasury, with the approbation of the President, to cause Treasury notes to be issued, according to the provisions of and subject to all the conditions, limitations and restrictions con-

tained in the Act of October 12, 1837, in place of such notes as had been or might be issued under said Act and afterwards paid into the Treasury and cancelled.

Under this Act the sum of $5,709,810.91 was issued. The odd sums represent the interest accrued.

Treasury Notes of 1839.

The power to issue and reissue Treasury notes under the Acts of October 12, 1837, and May 31, 1838, expired on December 31, 1838. The Act of March 12, 1839, extended this time to the 30th of June next ensuing, and was passed at the instance of the Secretary of the Treasury, who informed the House that it would be impossible to meet the demands upon the Treasury without it.

Under this Act the sum of $3,857,276.21 was issued.

Treasury Notes of 1840.

The President of the United States informed Congress by a special message dated February 17, 1840, that although the resources of the Treasury for the whole year would probably equal the expenditures, yet the Department might, notwithstanding, be unable to meet the claims upon it when they fell due, because the larger part of the charges upon the Treasury, including the payment of pensions and the redemption of Treasury notes, fell due in the early part of the year, while the resources upon which it might otherwise rely would mostly be unavailable until the last half of the year, and a portion being debts due from banks might not be punctually paid.

To remedy this inconvenience, the Act of March 31, 1840, was passed, all though strenuously opposed as unconstitutional and unnecessary, the House of Representatives being in session at one time for twenty-five hours on the bill.

It renewed the provisions of the Act of October 12, 1837, except as to the amount of notes and the time in which they might be issued, and authorized the issue of Treasury notes in lieu of those which had been or might be redeemed, but not to exceed, in the amount of notes outstanding at any one time, the sum of $5,000,000, to be redeemed sooner than one year if the means of the Treasury would permit, by giving sixty days' notice of those notes which the Department was willing to redeem, no interest to be allowed thereon after the expiration of the sixty days ; the Act to continue in force one year and no longer.

Under this Act the sum of $7,114,251.31 was issued.

Treasury Notes of 1841.

The Secretary of the Treasury, in his report on the finances, dated December, 1840, estimated that, at the close of the year 1841, there would remain in the Treasury an available balance of but $824,273, and that even this small balance might entirely disappear, and an actual deficit of several millions be found, under the operations of the compromise tariff Act of 1833, which was rapidly lowering the amount of customs duties levied, aided by fluctuations in the amount of goods imported, which had fallen off during the year 1840 nearly sixty millions of dollars.

To ward off the danger of this possible deficit, the Act of February 15,

1841, was passed. It authorized the President to cause Treasury notes to be issued for such sums as the exigencies of the Government might require, but not exceeding $5,000,000 of this emission outstanding at any one time, to be reimbursed in the last quarter of the year, if the condition of the Treasury would permit, the notes to be issued under the limitations and provisions of the Act of October 12, 1837, as modified by the Act of March 31, 1840, and if on the 4th day of March next ensuing the Treasury notes outstanding issued under the former laws added to the notes issued under this Act, should not exceed the sum of $5,000,000, then the President was authorized to issue such further sums as would make the whole amount of notes issued under this Act and applicable to payments after March 31, 1841, the full sum of $5,000,000.

Under this Act notes to the amount of $7,529,062.75 were issued.

LOAN OF 1841.

The President of the United States in his message to Congress at its extra session in June, 1841, estimated the probable deficit at the close of the year at $11,406,132.98, while the Secretary of the Treasury estimated the deficiency on September 1, at $5,251,388.30, and informed Congress that during the previous four years the expenditures had exceeded the revenue by $31,310,014.20. The issue of Treasury notes, begun under President Van Buren's Administration and continued for four years, had been a mere temporary expedient to postpone for a few months the payment of a constantly-accumulating debt. The only remedy for these continually recurring deficits was by a loan redeemable at a time sufficiently distant to allow the public finances, aided by returning prosperity among the people, a chance of recovery.

A bill to borrow $12,000,000, redeemable after eight years, was introduced in the House June 14 and debated during many successive days. It was opposed by those who declared themselves averse to creating a national debt, by those who professed to see in it a scheme for starting a National bank, and by those who preferred the issue of Treasury notes to obtaining a loan. It was advocated by members who said it was not creating a debt but funding one which already existed, entailed on the country by an Administration which had just gone out of power, and that it was the more manly course to openly ask a loan, payable at some distant day, rather than continue the issue of notes which must return to the Treasury within a few weeks or months to cause another deficit.

The Act was approved July 21, 1841. It authorized the President to borrow on the credit of the United States, at any time within one year, a sum not exceeding $12,000,000, at a rate of interest not exceeding six per cent. payable quarterly or semi-annually, the loan to be reimbursable either at the will of the Secretary of the Treasury after six months' notice, or at any time after three years from January 1, 1842. The money borrowed was to be applied to the redemption of outstanding Treasury notes and to defray the public expenses.

The Secretary was authorized to purchase, at any time before the date mentioned for the redemption of the stock, such portion thereof as the funds of the Government might admit of, and any surplus in the Treasury was ap-

propriated therefor. The faith of the United States was pledged for the punctual payment of the principal and interest.

Under this Act stock to the amount of $5,672,976.88, was issued.

Treasury Notes of January, 1842.

The loan proposed by the Act of July 21, 1841, owing to the short period which was to elapse before its maturity, does not seem to have met with much favor from those who had money to lend. Up to December 20, 1841, the amount received of the $12,000,000 asked for was only $5,532,726.38 while the estimated deficiency on January 1, 1842, was $627,557.90 and the estimated excess of expenditures over revenue for the year 1842 was $14,218,570.68.

In this emergency the Secretary recommended an extension of the time within which the residue of the loan not yet taken should be redeemable, the reissue of the Treasury notes heretofore authorized by law, and an increase of the duties on certain classes of imports. A bill to allow the issue and reissue of Treasury notes was introduced in the House January 5, 1842, and met with much opposition, on the old grounds of the unconstitutionality of bills of credit, of the inexpediency of adding to the paper money of the country, and also on the plea that economy would enable the Government to meet its expenses without causing a deficit in the Treasury. Its supporters denied that the bill was unconstitutional, and admitted that the best way to provide for the deficiency would be by obtaining a loan, but asserted that if a loan bill was passed, the money could not be obtained in this country and that it would be necessary to send the bonds to Europe for sale, which would consume much time, while the needs of the Treasury were urgent. It finally passed both Houses and was approved January 31, 1842.

The Act authorized the President to cause the issue of Treasury notes for such sums as the exigencies of the Government might require, the notes when redeemed to be reissued under the provisions and limitations contained in the Act of October 12, 1837. The amount of this emission was not at any one time to exceed $5,000,000. The authority to issue Treasury notes was also to expire at the end of one year from the passage of the Act.

Under this law the sum of $7,959,994.83 was issued.

Loan of 1842.

This loan was obtained under the Act of July 21, 1841, the provisions of which were extended by the Act of April 15, 1842. The bill was passed, like that for the issue of Treasury notes of January, 1842, to prevent the threatened deficiency in the Treasury. It was manifest that the power to keep outstanding $5,000,000 in Treasury notes could not make up a deficiency of over $14,000,000.

The bill was introduced in the House, December 21, 1841, and passed after long debate in which the responsibility for the condition of the finances was the subject of mutual party recrimination.

The Act extended the time limited by the first section of the Act of July 21, 1841, to one year from the passage of this Act, and provided that so much of the loan as was obtained after its passage should mature as might be agreed upon at the time of the issue of the bonds, not to exceed twenty years from January 1, 1843. The Secretary of the Treasury was authorized to dis-

pose of the bonds below par, if par could not be obtained, but not until the loan had been duly advertised, and proposals for subscriptions invited. The President was also authorized to borrow an additional sum of $5,000,000, if the exigencies of the Government should require, under the same provisions and limitations.

Under this Act bonds were issued to the amount of $8,343,886.03 for which $8,301,468.23, was received in cash.

TREASURY NOTES OF AUGUST, 1842.

The Act of July 21, 1841, authorizing a loan of not exceeding $12,000,000, provided that no stock be sold below par, and such was the state of the money market at that period that the Secretary found it possible to realize but a small portion of the amount needed to meet the existing emergency, while this restriction remained in force.

An amendment was attempted by the Act of April 15, 1842, allowing the Secretary of the Treasury, if the stock could not be sold at par, to dispose of it at lower prices, and also extending the time of redemption to not more than twenty years from January 1, 1843, but it was still found impossible to obtain par for the stock. To prevent its sacrifice a bill was introduced in the House to allow the issue of Treasury notes when the remainder of the bonds could not be sold at reasonable prices. It was stated in debate by the Chairman of the Ways and Means Committee, who introduced the bill, that the immediate liabilities of the country were $3,875,000, and that not one dollar was available to meet them; that the loan must either "be sacrificed to the shylocks of the country," or other means must be given to the Secretary of the Treasury to meet these liabilities.

The bill met with little opposition. It was approved August 31, 1842. It provided that no stock authorized by the Act of July 21, 1841, and by the Act of April 15, 1842, amendatory of the same, should thereafter be sold below par; and in case the stock could not be sold at or above par and the exigencies of the public service should require, the Secretary of the Treasury was authorized to issue in lieu thereof Treasury notes not more that $6,000,000 under the provisions and limitations of previous Treasury note Acts. The notes when redeemed might be reissued, or new notes issued in their stead, but none were to be issued after April 15, 1843, and the amount outstanding was never to exceed $6,000,000.

Under this Act notes to the amount of $3,025,554.89 were issued.

TREASURY NOTES OF 1843.

These notes were simply new notes issued in place of such as had been issued under previous laws, and which had been or might be redeemed at the Treasury, or received in revenue payments. The necessity of their issue consisted in the fact that the estimated revenues of the year were but little in excess of the current expenses.

The national debt in March, 1843, was said to be $27,409,338, of which $11,068,977 fell due during the year and might be presented for payment. Under these circumstances it became necessary either to obtain a new loan, to increase taxes, always an unpopular expedient, or to issue new Treasury notes, as had been authorized at each session of Congress for six years past.

The course was adopted of giving authority both to obtain a new loan

and to issue Treasury notes ; though this latter was characterized in debate as a mere temporary expedient to enable the Government to get along from day to day, and to maintain its credit without repudiation.

The law for the purpose was approved March 3, 1843. It provided that when any outstanding Treasury notes issued under former laws should, after the passage of this law, be redeemed at any time before July 1, 1844, the Secretary of the Treasury, should the public service require, might cause other notes to the same amount to be issued in their stead under the provisions and limitations of the Acts under which the notes were originally issued. It authorized the payment of interest after maturity on these new notes, and also on the notes issued under the Act of August 31, 1842.

Under this law notes to the amount of $1,806,950 were issued.

Loan of 1843.

This loan was obtained under the law of March 3, 1843, authorizing the issue of Treasury notes. The third section of this law empowered the President, if in his opinion it should be for the interest of the United States to do so, to cause to be redeemed and cancelled such of the Treasury notes then outstanding as they became due, by the issue of stock of the United States, under the limitations and provisions of the Act of April 15, 1842, except that no commissions were to be allowed to agents, and the stock should mature not later than ten years from its issue.

Under this Act stock to the amount of $7,004,231.35 was issued, most of it being sold at a small premium.

Treasury Notes of 1846.

War with Mexico was declared May 13, 1846. On June 15, the Secretary of the Treasury informed Congress that if the war should continue until July 1, 1847, there would be a deficiency of $12,587,000. To prevent this, by the issue of Treasury notes, a bill was introduced in the House of Representatives July 6, 1846 ; it passed both houses without much debate and became a law July 22, 1846.

It authorized the President to cause Treasury notes to be issued for such sums as the public service might require, and in place of such notes as might be redeemed to cause others to be issued ; but the amount outstanding at any one time was not to exceed $10,000,000. The notes were to be issued under the provisions and limitations of the Act of October 12, 1837, but the authority given expired one year from the passage of the Act.

Under this law $7,687,800 was issued.

Loan of 1846.

The second section of the law of July 22, 1846, authorized the President if in his opinion it was for the interest of the United States, instead of issuing the whole amount of Treasury notes authorized by the first section, to borrow on the credit of the United States such a sum as he might deem proper, but not exceeding together with the Treasury notes the limit of $10,000,000. The bonds were to be issued under the provisions and limitations of the Act of April 15, 1842, and to mature at a period not to exceed ten years from the date of issue. No commissions were payable to agents.

Under this Act the sum of $4,999,149.45 was delivered to the public.

Mexican Indemnity Stock.

The peculiar circumstances which gave rise to the issue of this stock are worthy of note as resulting from an ineffectual attempt to collect the money due American citizens on account of claims against the Government of Mexico.

By the terms of the convention of January 30, 1843, between the United States and the Mexican Republic, it was provided that on the 30th day of April, 1843, the Mexican Government should pay all the interest which might then be due on awards in favor of claimants under the convention of April 11, 1839. The principal of said awards and the interest accruing thereon to be paid in five years, in equal installments every three months, to commence April 30, 1843. These payments were to be made in the City of Mexico, to such person as the United States might authorize to receive them, in gold or silver money.

In accordance with these stipulations, an agent was duly appointed for the collection of the several installments as they respectively became due, and the Secretary of State was informed, by an official communication from the United States Minister at the City of Mexico, dated September 24, 1844, that the installments which fell due on the preceding 30th of April and 30th of July were paid to the agent authorized to receive and transmit the same, on the 27th of August of that year, and it was so reported to Congress. Upon examination into the facts, however, it was found that no money had been received, and an investigation was ordered, resulting in the development of a singular transaction on the part of the agent designated to receive the money from the Mexican authorities.

It appears from the correspondence relative to the affair, that for the avowed purpose of liquidating these claims, Santa Ana, the head of the Mexican Government, in May, 1843, decreed the collection of a forced loan, to be distributed in certain proportions through the various departments of the Mexican Republic, and paid at periods corresponding to those stipulated by the convention. This measure, essentially unpopular, was imperfectly enforced, while the temptation to misapplication of the funds collected, amid the difficulties by which Santa Ana was surrounded, were very great. Under these circumstances the Mexican Government was unable to pay the installment which became due April, 1844; and in July of the same year when another installment became due, the incapacity of that Government had become still clearer. The arrears then due and payable amounted to $274,664.67.

The applications of the agent of the United States at the Mexican Treasury for the payment of these installments were evaded or disregarded, and he was informed there was no money in the Treasury applicable thereto.

Despairing of obtaining any direct payment, he made an arrangement with an English firm there of high standing, then believed to be successfully prosecuting a claim of large amount, by which they assumed the collection of the installments due the United States, in addition to their own claim and agreed to pay him the proportionate share of the collections made, gradually, as received by them from the Mexican Government. In pursuance of this arrangement orders to the amount of $274,664.67 on the various departments were given in favor of the agent of the United States by the Mexican

Government, and a receipt for the amount was given by him, as if it had been paid in money. These orders were handed over by him to the English firm, with whom he had made arrangement for the collection of the installments. Nothing was realized from these orders, but the matter of the indemnity was afterwards disposed of by article 13 of the treaty of Guadalupe Hidalgo, February 2, 1848, which reads as follows :

"The United States engages, moreover, to assume and pay to the claimants all the amounts now due them, and those thereafter to become due by reasons of the claims already liquidated and decided against the Mexican Republic, under the conventions between the two republics severally concluded on the 11th of April, 1839, and on the 30th day of January, 1843; so that the Mexican Republic shall be absolutely exempt, for the future, from all expense whatever on account of the said claims."

In 1846, the United States being at war with Mexico, a clause was inserted in the first section of the civil and diplomatic appropriation Act of August 10, providing for paying the principal and interest of the fourth and fifth installments of the Mexican indemnities due in April and July, 1844, the sum of $320,000, provided, that the claimants, "each for himself shall relinquish to the United States his rights to the installments, and that each claimant shall agree to take in payment the scrip of a stock bearing interest at five per cent., payable in five years."

Under this authority five per cent. stock amounting to $303,573.92 was issued.

Treasury Notes of 1847.

The estimate of the Secretary of the Treasury made in 1846 that there would be, on July 1, 1847, if the war with Mexico should continue and no new sources of revenue were supplied, a deficit of but $12,587,000, proved optimistic. Under the Act of July 22, 1846, a sum larger than his estimated deficit was obtained ; yet, in his annual report dated December 9, 1846, the Secretary was obliged to inform Congress that there would still remain a deficit of $4,779,042.01. In January, 1847, he appears to have informed the Chairman of the Committee of Ways and Means that the Treasury was nearly empty, and that there was immediate necessity for the issue of more Treasury notes, or a new loan.

A bill authorizing the issue of Treasury notes, or a loan, to the amount of $23,000,000 was introduced in the House of Representatives January 11, 1847, and passed both the House and Senate after an extended debate, in which the origin and conduct of the war with Mexico were discussed, and propositions brought forward to so amend the tariff on foreign goods imported as to increase the revenue. Especially it was proposed to lay a heavy duty on tea and coffee.

The Act was approved January 28, 1847. It authorized the President to cause Treasury notes to be issued for such sums as the exigencies of the Government might require, but not exceeding in the whole amount the sum of $23,000,000. No note was to be of less denomination than fifty dollars. The notes were to bear such interest from the date of issue until redeemed as should be fixed by the Secretary, and were redeemable in one and two years after date. The Secretary of the Treasury was authorized to borrow money on the credit of the notes, but no notes were to be pledged, hypothecated or sold at less than their par value, with accumulated interest.

They were to be paid to such public creditors as chose to receive them at par and were made receivable for all debts, duties and taxes to the United States. The Secretary was authorized to purchase the notes at any time but only at par for the principal and accrued interest. When any of the notes authorized by the Act were redeemed other notes might be issued in their stead, but the amount of notes outstanding at any time together with the scrip of the loan authorized at the same time, was not to exceed $23,000,000. The principal of the notes could be funded at any time in stock bearing six per cent. interest; redeemable at any time after December 31, 1867, and this privilege was also extended to the holders of notes issued under previous Acts.

The authority given by the Act of July 22, 1846, to issue Treasury notes was extended, by the fifteenth section, to the period fixed by this Act on the same terms and conditions, but the issue under this section was not to exceed $5,000,000.

Under this law Treasury notes to the amount of $26,122,100 were issued.

LOAN OF 1847.

The Act of January 28, 1847, which authorized the issue of $23,000,000 in Treasury notes, also authorized the President in his discretion, instead of issuing the whole amount of Treasury notes, to borrow on the credit of the United States, such amount as he deemed proper, on stock bearing six per cent. interest payable after December 1, 1867, the total amount so borrowed not to exceed the sum of $23,000,000. He also had authority to fund Treasury notes of previous Acts in such stock.

Under these authorities $28,230,350 in six per cent. stock was issued, most of which sold at a premium.

ARE AMERICANS THRIFTLESS.—Rev. John Watson ("Ian Maclaren"), in a recent number of "The Outlook," has this to say of the improvidence of the Americans:

"If one were placed in a witness-box he might be obliged to declare that they were distinctly thriftless. An American flings about his money with gorgeous prodigality. Times there are when a hard-bitten, poverty-stricken Scot cherishes a bitter grudge against his more friendly cousin. It is when he follows him in a continental hotel and finds the lackeys despise his poor vail after the royal largesse they have just received. We can only stand aside and wonder at our kinsman who gets his money so easily, who holds it so lightly, who spends it so lavishly—a man surely of a very princely habit and far removed above thought of saving. And yet it may be allowed us to shake our heads and have some misgivings as to whether this prodigality is for the good of individual character and the firm upbuilding of a people.

Is the ostentatious waste of food in hotels wholesome or justifiable, where the menu is bewildering in variety, and the portions supplied beyond all necessity, and more is taken away than is used? Does it conduce to stability and self-restraint to be quite indifferent about to-morrow, and to reserve nothing of to-day's earnings? Have not the farmers traded recklessly on the virgin resources of the land? Have not the forests been improvidently cut down? Is there not everywhere a certain want of prudence and management which cannot in the long run minister to moral strength or even to material wealth? If it be true, as is contended, that every great empire has been built up on thrift, this means that the homeliest of virtues does not end in the accumulation of money, but results in the creation of manhood. And the best friends of America, therefore, desire that amid all her prosperity she should not fall away into improvidence and luxury, but ever retain and cultivate that habit of simple and severe living, which was shown by her Puritan fathers."

PRACTICAL BANKING DEPARTMENT.

HELPFUL HINTS DERIVED FROM EXPERIENCE.

NEW FORM OF DISCOUNT REGISTER.

On the opposite page is reproduced a new form of Discount Register, furnished the MAGAZINE by Mr. A. R. Barrett, late expert and bank examiner with the United States Treasury.

The column "Consecutive Numbers" is for the usual regular numbers; that called "Preceding Numbers," is to be used in cases of renewals, the regular number of the former note being recorded in this column. By this means, the bank holding the last note, it will be found a simple matter to trace back all renewals. It is sometimes important to know how often a note has been renewed. Any officer of the bank, or the discount board, can by this method inform themselves in a moment. The column "Renewal Number" is for entering the regular number of the new note in case of a renewal. The number in this column opposite the sum noted in the column "When Paid or Renewed" would indicate that the payment was by renewal. This will also aid in tracing renewals.

By posting the payments daily from the tickler to the columns "When Paid or Renewed" and "Amount Paid or Renewed" a complete history of each note is kept. In the case of partial payments, the cash paid and the new note are both entered in the column "Amount Paid or Renewed." The blank spaces in these two last-mentioned columns should at all times correspond with the notes on hand, and can easily be verified from the paper by the examining committee, the discount clerk, or any one.

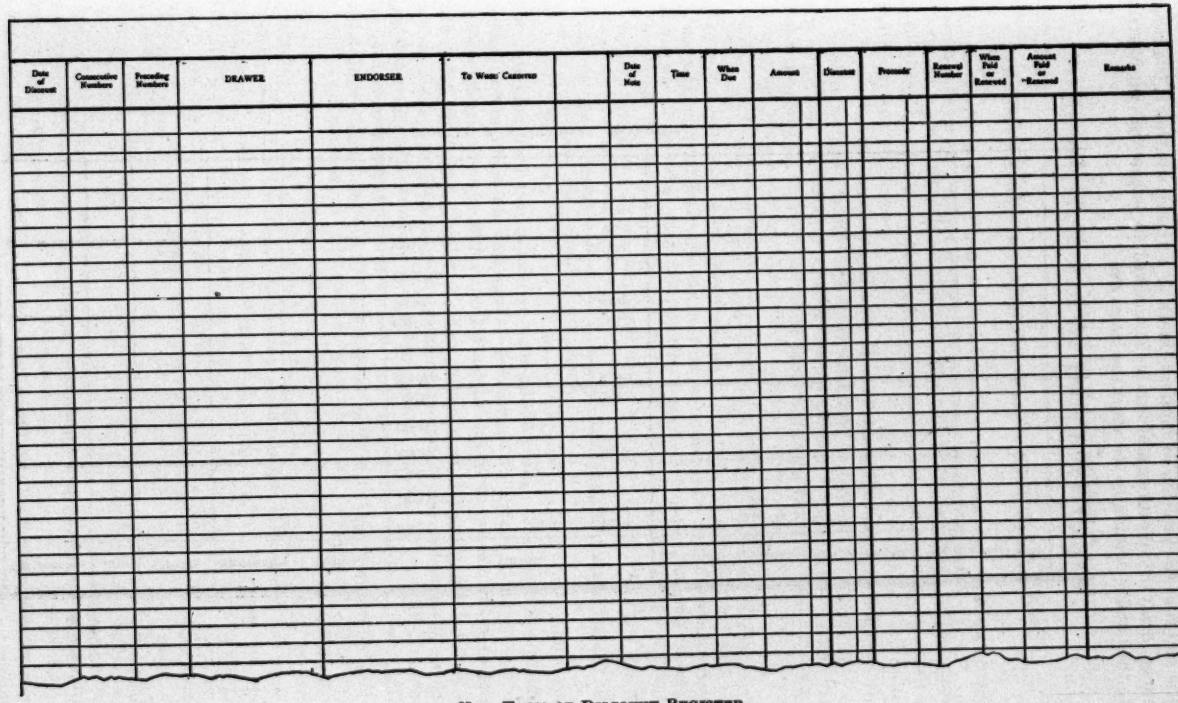
The footing of the column "Amount Paid or Renewed" deducted from the footing of the column "Amount" would show the total of the notes discounted on hand and should agree with the "Notes Discounted" account in the general ledger.

BANK JOURNAL FOR GENERAL ACCOUNTS.

Will T. Bissell, a bookkeeper in the First National Bank, Cleveland, contributes the following form and description to "The Bookkeeper" for July:

"The accompanying sketch (page 194) represents a journal for bank use which I have found quite satisfactory for city banks with a large number of bank correspondents. It can easily be applied to smaller ones also.

The names of the correspondent banks are printed in the center column and the headings are also printed as shown, thus saving all writing except the figures and an occasional explanation or remark. Collections and drafts are entered in their respective columns, and the footings are carried to the 'Total' column opposite their respective names. Cash letters are entered at once in 'Total' column opposite place marked 'Rem.' (remittance).



NEW FORM OF DISCOUNT REGISTER.

Posting is done from 'Total' column only and is greatly facilitated by the fact that the position of an item shows at a glance whether it is a remittance, draft or collection, and can be so marked in ledger without referring to the outside column to see what the items are."

BANK JOURNAL FOR GENERAL ACCOUNTS.

No.	Collect'ns	No.	Drafts	Remarks	Totals		Banks		Totals	Remarks	Collect'ns	No.	Collect'ns	No.
						Rem.		Rem.						
						Drafts								
						Coll.		Coll.						
						Rem.		Rem.						
						Drafts								
						Coll.		Coll.						
						Rem.		Rem.						
						Drafts								
						Coll.		Coll.						
						Rem.		Rem.						
						Drafts								
						Coll.		Coll.						

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

CHECK—DELAY IN PRESENTATION.

Supreme Court of Alabama, April 15, 1897.

WATT *vs.* GANS.

The law imposes upon the holder of a check the duty of presenting it for payment within a reasonable time; and if he fail to present the check seasonably the delay is at his own peril.

A check drawn upon a bank in Greenville, Ala., was deposited on December 13, with a bank in Philadelphia, and on that day forwarded to a bank in Charleston, S. C., whence it was sent first to Montgomery, Ala., and thence to Greenville, Ala., whereby presentation was delayed until December 19. The drawee bank failed and closed its doors on December 18. Had the check been forwarded direct to Greenville, it would have reached there December 15, and in time to have been presented on the 16th: *Held*, that the delay discharged the drawer.

The drawer of a check may prove undue delay in presenting the check under a plea of payment of the debt for which the check was given.

This was an an action to recover for a bill of goods. The defendant pleaded payment. The following facts were agreed upon:

That on December 9, 1893, defendant mailed his check to plaintiffs, payable to their order, on Joseph Steiner & Sons, bankers, at Greenville, Ala., where defendant resided, for $389.25; said sum being the amount due plaintiffs after deducting the ten per cent. discount. That said check was received by plaintiffs December 12, 1893, after banking hours, the bank in Philadelphia being then closed. The plaintiffs placed said check in the Union National Bank at Philadelphia, with which plaintiffs did business, to be forwarded by said bank for collection for plaintiffs on the next morning, to wit, December 13, 1893; and said check was by said bank so forwarded to a bank of Charleston, South Carolina, on the same day; the latter bank receiving it on December 15, and on the same day forwarded it to a bank at Montgomery, which said bank at Montgomery received it on December 18, 1893, and on the same day forwarded it to one A. G. Winkler, a merchant at Greenville, Ala., for collection. That said Winkler received said check on the morning of December 19, 1893, and immediately upon its receipt, and during banking hours, presented it to said Joseph Steiner & Sons, at their bank, for payment, which was then refused. Said check was thereupon duly protested, the protest fees amounting to $4.50, all of which is still unpaid. That on December 18, 1893, said Joseph Steiner & Sons failed, making a general assignment, and are now insolvent. That defendant had the amount of said check to his credit with said Steiner & Sons at the time of said assignment.

HEAD, *J.*: In general terms, it may be said that the law imposes upon the holder of a bank check the duty of presenting it for payment within a reasonable

time; and, if he fail to present the check seasonably, the delay is at his own peril. What is a reasonable time will depend upon the facts in each case; yet, in the absence of exceptional circumstances, such reasonable time has been fixed. Thus, it has been defined to be "the shortest period within which, consistently with the ordinary employments and duties of commercial business, the duty of presentment and demand could be performed." (Boone, Banking, 173; Story, Prom. Notes, 497.)

In the case of *Savings Co.* vs. *Weakley*, (103 Ala. 458) this court recognized and applied the rule which requires the holder of a check, receiving it at the same place in which the drawee transacts business, to present it for payment within banking hours on the day it is received, or the following secular day. In the case now before us, a check drawn on a bank at Greenville, Ala., by the appellant, a debtor, was sent by him to the appellees, his creditors, at Philadelphia, Pa.; and hence we are required to determine what diligence the appellees ought to have exercised in the collection of the check, which they received and accepted at a place remote from the location of the bank upon which it was drawn.

Speaking of the duty of a holder of a check under the circumstances stated, Judge Story says: "Where he receives the check from the drawer in a place distant from the place of payment, it will be sufficient for him to forward it by the post to some person at the latter place on the next secular day after it is received; and the person to whom it is thus forwarded will not be bound to present it for payment until the day after it has reached him by the course of the post. If the payment is not thus regularly demanded, and the bank or bankers should fail before the check is presented, the loss will be the loss of the holder, who will have made the check his own by his laches." (Story, Prom. Notes, 493.)

A check is intended for payment, not circulation; and, as between the original parties to it, the time allowed for its presentation will not be enlarged by successive transfers. These principles seem to be well established, and to be recognized by the standard text writers. (2 Daniel, Neg. Inst. § 1592; Boone, Banking, 173; 2 Morse, Banks, § 421; Tied. Com. Paper, § 443; 3 Rand. Com. Paper, § 1106; Byles, Bills, § 20; Chit. Bills [13th Am. Ed.] p. 436.)

Undoubtedly cases may be found, some of which are cited by counsel for appellees, where a longer time than that above stated was, under exceptional and peculiar circumstances, allowed for presentation of a check. Here no extraordinary or unusual circumstances calling for a relaxation of the settled rule are presented; and hence the simple and definite requirement, imposing the duty of sending the check to a person, bank, or other collecting agency at Greenville for presentation, without the selection of a circuitous route, or the intervention of intermediate and successive collecting banks, whereby, of necessity, the presentation would be unduly delayed, must be applied. The appellees having received the check of the appellant on December 12, 1893, at Philadelphia, it was their duty to forward it to Greenville, Ala., at the latest, on the following day. This duty they could perform in person, or they might intrust it to a local bank. The latter course they pursued, by depositing the check on December 13, 1893, with the Union National Bank of Philadelphia for collection. This, however, did not enlarge the time for transmitting the instrument to the place of payment, and in the collection of the check the bank acted as the agent of the holders. In sending the check to Charleston, S. C., whence it went first to Montgomery, Ala., and thence to Greenville, Ala., the place of payment, whereby presentation and demand were delayed until December 19, 1893, after the failure of the drawee bank, there was negligence, imposing upon the appellees whatever loss the appellant suffered from the laches. (*Gifford* vs. *Hordell*, 88 Wis. 538; *Bank* vs. *Miller*, 37 Neb. 500.)

There is nothing in the evidence from which it can be inferred that the method pursued was within the contemplation or expectation of the appellant, nor that it

was according to any previous course of dealing between the parties, or that he expressly or impliedly assented to the delay. Neither can we judicially know that any custom existed in Philadelphia whereby checks received for collection on Greenville, Ala., were sent by way of Charleston, S. C., for presentation; nor, if such a practice prevailed, that it was known to the appellant. If any one of these things, or all combined, would authorize the inference that he assented to the intervening delay, or could justify a holding that he could not complain of a delay—questions we do not now consider—it was incumbent upon the appellees to introduce into the record evidence of the existence of such facts. It is satisfactorily established by letters incorporated in the bill of exceptions, and from the postmarks on the envelopes, admitted to be the true dates on which the letters were mailed at Philadelphia and received at Greenville, that by due course of a mail a letter posted at the former place on December 13, 1898, at any time up to 7:30 o'clock P. M., would have reached the latter point not later than 10 o'clock, P. M. on the 15th of the same month, or within forty-eight hours. Thus, the original envelope sent up for our inspection shows that the letter inclosing a receipt for the check, mailed at 7:30 P. M. on December 12 at Philadelphia, arrived at Greenville at 1 o'clock P. M. on December 14, or in less than two days. Hence, if the check had been forwarded directly to Greenville on December 13, when it was sent to Charleston, it would, with the diligence the law requires, have been presented to the bank upon which it was drawn on Saturday, December 16, and, of consequence, prior to the failure on Monday, December 18. It may be that the appellees, or their local bank, had no correspondent at Greenville, although as to this the evidence does not inform us; or it may not have been convenient to pursue the course the law directs. If such was the case, they could easily have declined to accept the check. They were not bound to receive it, but having done so, and having undertaken its collection, they must bear all the burdens and exercise all the diligence imposed by law.

At this point the appellees invoke the well-recognized rule which declares that the drawer of a check has no cause to complain of delay in its presentation, if he has thereby suffered no loss or damage; and they contend that the appellant must show affirmatively that he had funds from which the check would have been paid, in the hands of the drawee, during the period within reach, by the exercise of due diligence upon the part of the holders, the check would have been presented. The contention is rested upon the fourth paragraph of the agreed statement of facts, which recites merely that the appellant had the amount of the check to his credit with the drawees at the time of their assignment and failure.

As the fact is thus presented, a question is raised as to the burden of proof. In most cases of this kind to be found in the books, there is positive evidence that the drawer had or had not funds to meet the check when drawn, or during the interval before the failure, or that he had or had not withdrawn his funds. In this case the parties have not advised us, by affirmative testimony or by agreement, as to the state of appellant's accounts with his bankers anterior to the time of their failure; and hence the refusal must turn upon legal presumptions arising out of the facts which are stated in the agreement of the parties, constituting the evidence in the case. The important inquiry is, where rests the burden of proof?

Without entering upon any prolonged discussion, it will be sufficient to say that the authorities are quite uniform in holding that checks are presumably drawn upon or against a deposit of funds, and where the drawer establishes negligence or undue delay in the presentation of his check, and the failure of the drawee bank after the expiration of the period within which, with due diligence, the check would have been presented, the presumption of injury arises, casting upon the holder the burden of proving that the drawer has suffered no loss or damage by the delay. (*Stephens* vs. *Park*, 73 Ill. 387; *Willetts* vs. *Payne*, 43 Ill. 433; *Anderson* vs. *Rogers*, 53 Kan.

542; *Little* vs. *Bank*, 2 Hill, 427; *Bank* vs. *Merritt*, 7 Heisk. 177; 2 Morse, Banks, § 421; Daniel, Neg. Inst. § 1588; Story, Prom. Notes. § 498; Edw. Bills & N. p. 398; 3 Rand. Com. Paper, § 1106, p. 94.) As Kent, J., said in *Cruger* vs. *Armstrong* (3 Johns. Cas. 5): "The presumption is that the check would have been paid, if diligently presented." The presumption of loss arising out of want of diligence in the presentation of a check, and the intervening failure of the drawee, may be rebutted by proof that the drawer had no available funds with the drawee to meet the check, or that he withdrew them before the failure. No such proof was produced in this case. On the contrary, it is admitted that the necessary amount, presumably in the bank, wherewith to pay the check, remained to the credit of the appellant, with his bankers, when the failure occurred, and it is further admitted that the proprietors of the bank were still insolvent at the time of the trial. In this state of evidence, the appellees failed to meet the burden resting upon them; the presumption of damage to appellant stands unrebutted; and the loss must fall upon the appellees, to whose want of diligence it is attributable.

The suit was brought upon the original debt in settlement of which the check was given, and the appellant, who was defendant in the circuit court, interposed the plea of payment. It is contended by the appellees that the defense arising out of the failure to seasonably present the check, whereby loss resulted, is not available under that plea. With this view we do not agree.

The correct rule is thus stated by Sterrett, J., in *Kilpatrick* vs. *Association* (119 Pa. St. 30): "It is well settled that, in the absence of an agreement to the contrary, a check or promissory note, of either the debtor or a third person, received for debt, is merely conditional payment—that is, satisfaction of the debt if and when paid—but that acceptance of such note or check implies an undertaking of due diligence in presenting it for payment, etc., and, if the party from whom it is received sustains loss by want of such diligence, it will be held to operate as actual payment." By failure of appellees to exercise proper diligence in the collection of the check, whereby the appellant, if held upon the original debt, would suffer loss, they made the check their own, and turned what was at first only a conditional payment into an absolute discharge of the debt for which the check was given. (Boone, Banking, § 181; *Savings Co.* vs. *Weakley*, 103 Ala. 458; *Middlesex* vs. *Thomas*, 20 N. J. Eq. 39; *Kahn* vs. *Walton*, 46 Ohio St. 195.)

The plaintiffs were not entitled to recover, and the circuit court erred in giving the affirmative charge in their behalf. As the facts were agreed upon by the parties, and as no inferences entitling the plaintiff to recover were deducible therefrom, the court might well, upon request, without hypothesis, have directed the jury that upon the agreed evidence the defendant was entitled to a verdict. Let the judgment be reversed and the cause remanded. Reversed and remanded.

USURY—SET-OFF—CONSTRUCTION OF NATIONAL BANK ACT.

Court of Appeals of Kentucky, May 13, 1897.

MARION NATIONAL BANK *vs.* THOMPSON.

Under Rev. Stat. U. S. § 5,198, the penalty prescribed for taking usurious interest can be recovered only in a separate action brought for that purpose, and can not be made available as a set-off in an action by the bank to recover the principal sum.

PAYNTER, *J.*: On September 29, 1885, C. T. Thompson, with C. R. Thompson, surety, presented a promissory note to the Marion National Bank for discount, payable four months after date, for $4,804.40. The bank reserved the interest at 7 per cent. It paid Thompson $4,199.83, reserving $104.57, which was the interest for the time stated. The note was renewed every four months,

and the three days of grace added, until November 27, 1893, when the note in question for $4,000 was executed. The interest was paid at the time of the various renewals, except June 7, 1887, June 22, 1889, July 6, 1891, March 8, 1893, July 24, 1893, and at these renewals the interest for the ensuing four months was added to the amount of the note which had been previously given, and the new note given for the amount of the previous note, and the interest thus added. From the answers which the Cashier of the bank made to the interrogatories propounded, and from his deposition, it appears that the interest thus added in the note was paid at dates subsequent to the time the interest was added in the note. At one time $620 was paid, at another a note for $316.25 was given, for the interest which had been embraced in the note. In all these renewals, interest was calculated at 7 per cent. The court below adjudged that all payments of interest at the several renewals from June 7, 1887, be applied as payments on the original sum borrowed. The court fixes, as the prnicipal of the debt, $4,199.83, and the credits as we have indicated, $2,133.93, being the aggregate payments of interest since June 7, 1887. The court also adjudged the note for $316.25 should be cancelled, because it was executed for installments of interest which embraced usury. In other words, the court has applied, as credits on the note, the amount actually paid at renewals, and also interest which had been embraced in the note, and subsequently paid. The legal rate of interest in the State is 6 per cent. per annum.

The Revised Statutes of the United States contain provisions as follows:

"Sec. 5,197. Any association may take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidences of debt, interest at the rate allowed by the laws of the State, territory or district where the bank is located, and no more, except that where by the laws of any State, a different rate is limited for banks of issue organized under such State laws, the rate so limited shall be allowed for associations organized or existing in any such State under this title. When no rate is fixed by the laws of the State, or territory, or district, the bank may take, receive, reserve, or charge a rate not exceeding seven per centum, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt is to run. * * *

"Sec. 5198. The taking, receiving, reserving, or charging a rate of interest greater than is allowed by the preceding section, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. In case a greater rate of interest has been paid, the person by whom it has been paid or his legal representatives, may recover back, in an action in the nature of an action of debt, twice the amount of the interest thus paid, from the association taking or receiving the same, provided such action is commenced within two years from the time the usurious transaction occurred." * * *

A National bank is authorized to take, receive, reserve, or charge, on loans, interest at the rate of six per cent. If a greater sum than that is taken, received, reserved, or charged on any loan or discount made, it has violated the law. By section 5198, when this is knowingly done, there is a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, and which has been agreed to be paid thereon. As a penalty, if the bank has been paid the interest, the person by whom it has been paid, or his legal representatives, may recover back, in an action in the nature of an action of debt, twice the amount of the interest thus paid, providing such action has been commenced within two years from the time the usurious transaction occurred. If a note is given for a sum, and also an amount which is interest at the usurious rate, the note carries the interest with it, whether that be shown by the writing or not. If the note purports to draw interest at a usurious rate when there is an agreement to pay interest on the note, and the note

is renewed for a given time at a usurious rate of interest, and that interest be embraced in the renewal note for the time it is to run, then the note carries with it the interest. So whatever usurious interest is embraced in the note, or whatever interest at a usurious rate it purports to draw, in an action on a note for such interest it must be adjudged to be forfeited. When the interest has been actually paid, then the person by whom it has been paid, or his legal representative, may recover back, in a separate action, in the nature of an action of debt, twice the amount of the interest thus paid. This latter provision is in the nature of a penalty.

In discussing this question in *Barnet* vs. *Bank* (98 U. S. 558) the Court said: "Two categories are thus defined, and the consequences denounced: (1) Where illegal interest has been knowingly stipulated for, but not paid, there only the sum lent, without interest, can be recovered. (2) Where such illegal interest has been paid, then twice the amount so paid can be recovered in a penal action of debt or suit in the nature of such action against the offending bank, brought by the persons paying the same, or their legal representatives." The court in that case sharply and clearly recognizes and draws a distinction between interest "stipulated for," and "not paid," and a case where the illegal interest has been paid. In *Bank* vs. *Dearing* (91 U. S. 32) the same distinction is recognized and stated. In that case (page 36) the Court, in stating the difference between the National Banking Act of 1863 and the present one, said: "In the Act of 1864, the forfeiture of the debt is omitted, and there is substituted for it a forfeiture of the interest stipulated for, if it had only been reserved, and the recovery of twice the amount where the interest had been actually paid." The Court in the same case said that the plaintiff below was entitled to recover the principal of the note sued upon, less the amount of the interest unlawfully reserved. The court in the case of *Bank* vs. *Hoagland* (7 Fed. 161): "By the terms of the Act of Congress, the charging of such rates of interest worked a forfeiture of the entire interest which the several notes carry with them. Now, such forfeiture was not waived by the giving of the subsequent notes, although, as respects them, the agreed rate of interest was a legal rate. They were mere renewals, and given without any new consideration. Nor did the new notes operate as payment of the debts for which they were given. In so far, then, as the notes in suit embraced the forfeited interest, they are without consideration."

Many cases could be cited to the same effect. As we have said, the court applied the amount actually paid at the several renewals of the note to the principal of the note. This was error The defendant was not entitled to apply, as an offset on the note, the sums of interest which he actually paid. The statute requires that, where the interest has been paid, the party paying it, or his legal representative, may recover in an action in the nature of an action for debt. As we have said, the recovery provided for is in the nature of a penalty, and can only be recovered in the manner provided by the statute. The statute denounced a penalty, and prescribed a remedy. When a statute creates a new offense and denounces a penalty, or gives a new right and declares a remedy, the punishment or remedy can be only that which the statute prescribes. (*Stafford* vs. *Ingersol*, 3 Hill, 38; *Bank* vs. *Lamb*, 57 Barb. 429.) This court has frequently enunciated the same doctrine. In *Barnet* vs. *Bank*, *supra*, at page 559, the Court said:

"While the plaintiff in such cases, upon making out the facts, has a clear right to recover, the defendant has a right to insist that the prosecution shall be by a suit brought specially and exclusively for that purpose, where the sole issue is the guilt or innocence of the accused, without the presence of any extraneous facts which might confuse the case, and mislead the jury to the prejudice of either party. The court held in that case that payments of usurious interest, such as were made in this case, could not be applied by the way of offset or payments to the obligation in suit."

This doctrine the court adhered to in *Stephens* vs. *Bank* (111 U. S. 197). That case was an action by a National bank against a surety upon a note to recover the amount of a note. It was held that he had no right to have usurious interests paid by the principal, in discount or renewals of the note, applied to the payment of the principal of the debt. The same doctrine was reaffirmed in *Driesbach* vs. *Bank* (104 U. S. 52).

An action to recover double the amount of usurious interest paid must be brought within two years after the transaction occurs in which the usury is paid. To illustrate: Suppose there have been several renewals of the note, the interest paid at each renewal, the cause of action accrues the instant the usury is paid. Unless it is brought within two years from the time of the usurious transaction, the statute bars the recovery. In effect, the court in this case adjudged the defendants to pay an amount equal to one-half of the penalties they would have been entitled to recover in an action brought within the time prescribed by the statute. It allowed them credit for sums which were in the nature of a penalty, and the right to recover had been barred. If we take the view that when the usurious interests was stipulated for, and embraced in the note, the cause of action accrued to recover double the amount of the interest so agreed to be paid, then an action to recover a penalty could be maintained before any part of the interest had been paid. Possibly, the note containing it might never be paid; yet the debtor may have recovered and collected his judgment.

No confusion can arise as to the meaning of the statute if we keep before us its language, which provides, in one state of case, the forfeiture of the entire interest which a note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon; while, in a different state of case, to wit, when the interest has been paid, then the penalty is recoverable. In the one case it is for a reservation of the stipulation for the interest, while in the other case the payment of interest must actually have been made.

In considering this case, we have fully considered the cases of *Alves* vs. *Bank* (89 Ky. 126), *Bank* vs. *Alves* (91 Ky. 142), *Brown* vs. *Bank* (92 Ky. 609), *Sydner* vs. *Bank* (94 Ky. 231).

It results that the court properly cancelled the note for $316.25, but erred in not rendering judgment for the face of the note for $4,000, with interest from the date of the judgment. The case is reversed for proceedings in conformity with this opinion.

LIABILITY OF DIRECTORS—INTRUSTING ENTIRE MANAGEMENT TO PRESIDENT.

United States Circuit Court, Western District of Michigan, April 21, 1897.

GIBBONS *vs.* ANDERSON, *et al.*

It is the duty of the directors of a National bank to maintain a supervision over the affairs of the bank; to have a general knowledge of the manner in which its business is conducted, and of the character of that business; and to have at least such a degree of intimacy with its affairs as to know to whom, and upon what security, its large lines of credit are given.

The duty of the directors is not discharged merely by the selection of officers of good reputation for ability and integrity, and leaving the affairs of the bank without any other supervision or examination than by inquiry of the officer and relying upon his statements.

The bill in this case was filed by the complainant, as Receiver of the City National Bank of Greenville, to establish the liabilities of the defendants, Foster and Anderson, who were directors of the bank, for negligence in the performance of their duties as such, which it was alleged resulted in a heavy loss to the bank and

its creditors. The bank was organized April 28, 1884, with a capital stock of $50,000. It suspended on June 22, 1893. The complainant was appointed Receiver thereof by the Comptroller of the Currency five days later, and on July 1, 1893, entered upon the discharge of his duties. The total liability of the bank to its creditors at the time of its failure was $287,733. The nominal value of its assets was about $326,000, but the total net amount which the Receiver was able to realize from the assets was only about $40,000.

The loss had occurred through the diversion of the funds of the bank by its President, who had loaned to concerns of which he was the sole or principal owner, sums aggregating $172,768.88, nearly all of which was lost to the bank.

SEVERENS, *District Judge* (omitting part of the opinion): They [the defendants] say, and have called witnesses to prove, that acting in accord with the usage and custom of National banks, and having called into the management a person in whom they had entire confidence, which was justified by his reputation, and committed the affairs of the bank to him, they were not bound to have doubt and distrust of his correct dealing until something occurred which should arouse suspicion. And this is their defense. The learned counsel for the defendants puts the question thus: "Whether a director in a National bank is individually liable for loss to the bank accruing through another director, viz., its President, when such mismanagement was not known to or participated in by the director sought to be charged?"

Or, in another form:

"Whether an individual director in a National bank is liable in his individual capacity for all losses occasioned by the mismanagement of the bank's affairs by a trusted officer through the neglect of the board of directors to meet and examine into the affairs of the bank."

These questions present in the most favorable light for the defendants what is undoubtedly the substance of the inquiry upon the facts which existed in this case, and which is, in short, this: Whether the duty of the board of directors is discharged by the selection of officers of good reputation for ability and integrity, and then leaving the affairs of the bank without any other supervision or examination than mere inquiry of the officer, and relying upon his statements until some cause for suspicion attracts their attention. Section 9 of the National Banking Act, being section 5147 of the Revised Statutes, provides that:

"Each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such association."

And by section 5145 it is declared that the affairs of such association shall be managed by not less than five directors. The oath which the director is required to take, that he will diligently and honestly administer the affairs of such association, indicates the scope of his obligation. The management of the bank is cast upon the board of directors. The duty of managing and administering the affairs of the bank by the board of directors has been differently construed in decisions bearing upon the subject, but it is not necessary for me to analyze the cases, or to reconcile their apparent differences. Some of them have gone to a length which in my opinion is extremely dangerous to the public safety, and, if generally applied, would make these banking associations, which were designed to supply the people of the country with financial institutions hedged about with security on which their confidence might securely rest, the objects of doubt and distrust. The rule of decision by which my judgment in the present case must be guided is laid down in the case of *Briggs* vs. *Spaulding* (141 U. S. 132). Much of the discussion in that case was devoted to the consideration of the special circumstances upon which rested the charges made against the several directors. Those circumstances have little or no resemblance to those of the present case, and not much aid is afforded by that

part of the discussion: for, as the court in that case observed, each case must stand upon its own facts. The directors in that case were held to be excusable. One very important and noticeable difference between that case and this is in the fact that the question there was narrowed down to one of fact, as to whether the defendants were fairly liable for not preventing loss by putting the bank into liquidation within ninety days after they became directors, the previous condition of the bank being admitted to have been good, whereas in the present case the defendants' neglect runs through quite a number of years. But the court laid down certain general rules by which the obligation of directors of National banks is to be tested; that is to say, they declare what is the minimum of that obligation. Chief Justice Fuller, delivering the opinion of the court, said:

"We hold that directors must exercise ordinary care and prudence in the administration of the affairs of a bank, and that this includes something more than officiating as figureheads. They are entitled, under the law, to commit the banking business, as defined, to their duly-authorized officers, but this does not absolve them from the duty of reasonable supervision; nor ought they to be permitted to be shielded from liability because of want of knowledge of wrongdoing, if that ignorance is the result of gross inattention."

In my opinion, it does not meet the requirements of this statement of the law that directors may confide the management of the operations of the bank to a trusted officer, and then repose upon their confidence in his right conduct, without making examinations themselves, or relying upon his answers to general questions put to him with regard to the status of the affairs of the bank. To begin with, it is to be assumed in every case that the directors have not selected any other than a man of good reputation for capacity and integrity. Any other idea assumes that they have been guilty at the outset of a glaring fault. Further, it is a well-known fact that a large proportion of the disasters which befall banking institutions come from the malfeasance of just such men, and it would be manifest to everybody that only a satisfactory and quieting reply would be made by the official who has any reason for concealment. Again, what are the duties of management that are committed to the Cashier, or the officer standing in his place? They are those which relate to the details of the business, to the conduct of particular transactions. Even in respect of those, his duties are conjoint with those of the board of directors. In large affairs it is his duty to confer with the board. In questions of doubt and difficulty, and where there is time for consultation, it is his duty to seek their advice and direction. It is his duty to look after the details of the office business, and generally to conduct its ordinary operations. It is the right and duty of the board to maintain a supervision of the affairs of the bank; to have a general knowledge of the manner in which its business is conducted, and of the character of that business; and to have at least such a degree of intimacy with its affairs as to know to whom, and upon what security, its large lines of credit are given: and generally to know of, and give direction with regard to, the important and general affairs of the bank, of which the Cashier executes the details. They are not expected to watch the routine of every day's business, or observe the particular state of the accounts, unless there is special reason; nor are they to be held responsible for any sudden and unforeseen dereliction of executive officers, or other accidents which there was no reason to apprehend. The duties of the board and of the Cashier are correlative. One side are those of an executive nature, which relate mainly to the details. On the other are those of an administrative character, which relate to direction and supervision; and supervision is as necessarily incumbent upon the board as direction, unless the affairs of banks are to be left entirely to the trustworthiness of Cashiers. Doubtless there are many matters which stand on middle ground, and where it may be difficult to fix the responsibility, but I think

there is no such difficulty here. The idea which seems to prevail in some quarters, that a director is chosen because he is a man of good standing and character, and on that account will give reputation to the bank, and that his only office is to delegate to some other person the management of its affairs, and rest on that until his suspicion is aroused, which generally does not happen until the mischief is done, cannot be accepted as sound. It is sometimes suggested, in effect, that, if larger responsibilities are devolved upon directors, few men would be willing to risk their character and means by taking such an office; but Congress had some substantial purpose when, in addition to the provision for executive officers, it further provided for a board of directors to manage the bank and administer its affairs. The stockholders might elect a Cashier, and a President as well. The banks themselves are prone to state, and hold out to the public, who compose their boards of directors. The idea is not to be tolerated that they serve as merely gilded ornaments of the institution, to enhance its attractiveness, or that their reputations should be used as a lure to customers. What the public suppose, and have the right to suppose, is that those men have been selected by reason of their high character for integrity, their sound judgment, and their capacity for conducting the affairs of the bank safely and securely. The public act on this presumption, and trust their property with the bank in the confidence that the directors will discharge a substantial duty. How long would any National bank have the confidence of depositors or other creditors if it were given out that these directors, whose names so often stand at the head of its business cards and advertisements, and who are always used as makeweights in its solicitations for business, would only select a Cashier, and surrender the management to him? It is safe to say such an institution would be shunned and could not endure. It is inconsistent with the purpose and policy of the banking Act that its vital interests should be committed to one man, without oversight and control.

Recurring to the present case, it is clear that unless the board of directors is to be absolved upon the theory that they were justified in committing the affairs of the bank to Moore, and relying upon his good conduct, and his answers to the perfunctory questions which were occasionally put to him, until they were brought to the facts by the collapse of the bank upon the first prick of a financial stringency, such as came upon the country in the summer of 1893, they must be held liable. It is with sincere commiseration and regret that the court feels compelled to reach this conclusion, in view of the consequences which must follow to these directors. But there is another side to this matter. The court cannot ignore the rights and interests of the depositors, and others who have trustfully confided their money to the bank, and who now find that it was run through a shell into the hands of Moore, while the defendants turned their heads away, and failed to give them the protection which the proper discharge of their duties would have afforded. The records of the board of directors make a sorry showing, when put in contrast with the financial history of the bank. The entries are few, at long intervals, and are almost wholly limited to the election of directors and the declaration of dividends. They are feebly supplemented by the oral testimony of the defendants, which tends only to show that individual inquiries were occasionally made by them, of a comparatively superficial character. There was no examination of the books; at least, none of any value. If there had been such examination by a fairly intelligent man, such as a director promises he is, the condition of things would have been seen. It is not irreconcilable with what they declared, when the bank failed, with respect to their knowledge of its affairs, and with what I must believe was substantially the truth of the matter. It may be conceded that the members of the board were not responsible for the malfeasance or nonfeasance of their associates, where the fault of the others was not known to them, and they were helpless to prevent

the consequences; but in the present case the charge of negligence rests upon the whole board, and there is nothing to show that the defendants took any steps to retrieve the consequences of the joint negligence. If the defendants had been able to show that they themselves had done what they could to induce the board to attend to its duty, a different case would be presented.

PROMISSORY NOTE—PROVISIONS FOR COSTS OF COLLECTION FOR EXCHANGE.

Appellate Court of Indiana, June 8, 1897.

NICELY *vs.* WINNEBAGO NATIONAL BANK.

A provision in a promissory note for "costs of collection" does not destroy the negotiable character of the instrument. But a provision for the payment of "exchange" will have this effect.*

This was an action by an indorsee upon two notes for $500 each, in the usual form, except that they also included the provision "with exchange and costs of collection." The defendants, who were the makers, set up as a defense, a failure of consideration as between them and the payee. The question presented to the court was, whether the notes were negotiable so as to preclude this defense.

WILEY, *J.* (omitting part of opinion): We are clearly of the opinion that the averments of each of the paragraphs of answer under consideration were sufficient to constitute a defense to the notes sued upon, on the ground that the consideration had wholly failed, and this defense is available here against the appellee if the notes are non-negotiable. A promissory note is an open promise in writing by one person to pay another therein named, or to his order or to bearer, a specified sum of money absolutely and at all events. (Daniel, Neg. Inst. § 28.) A promissory note, to become negotiable by the law merchant, must possess at least five essential requisites. First, it must be an open promise for the payment of money; second, it must contain a certain, definite, and fixed promise; third, it must be payable unconditionally and at all events; fourth, the amount to be paid, the date, and place of payment must be certain; and, fifth, the instrument must be delivered. (Id. §§ 31, 35, 41, 53, 63.) If the notes sued upon in this case are wanting in either of these essential requisites, it removes them from the class of negotiable instruments, and leaves them subject to any defense the makers would have against the original payees. We think it clear that the clause in the notes "and costs of collection" does not destroy the negotiability of the instrument. The great weight of authority is that notes that waive benefit of valuation, appraisement, and exemption laws, and provide for payment of attorney's fees, do not destroy the negotiability by rendering the amount to be paid uncertain, for, as was said in *Nicely* vs. *Bank* (15 Ind. App. 563, 44 N. E. 572): "If the note is paid promptly at maturity, the contingency upon which they would arise does not become effective." The expression or clause in the notes in suit "and costs of collection" must be regarded as surplusage, and not destructive of the negotiability of the notes sued on, for the reason that no costs of collection could accrue if the notes had been paid when due. The promise or obligation in a promissory note to pay attorney's fees and costs of collection presents an entirely different proposition than an obligation to pay "with exchange," because it does not change or make uncertain or indefinite the amount the payer has agreed to pay at maturity. Such conditions in a note only go so far as to provide for a contingency arising upon default in payment.

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*By the Negotiable Instruments Law it is provided that the sum is a sum certain within the meaning of the Act, though it is to be paid with exchange, whether at a fixed rate or the current rate. (Sec. 21, Laws N. Y. 1897, ch. 612.)

Speaking of the class of cases holding that promise to pay attorney's fees does not destroy the negotiability of a note, Mr. Daniel says:

"These cases consider that the stipulation is valid because it is an indemnification, assured by the maker against the consequences of his own act, for, unless in default, he will not have to pay the additional amount; that it is consonant with public policy, because it adds to the value of the paper; and has a tendency to lower the rate of discount, * * * and that it does not impair the negotiability of the instrument, for the reasons that the sum to be paid at maturity is certain; that commercial paper is expected to be paid promptly; that, if so paid, no element of uncertainty enters into the contract," etc. (Daniel, Neg. Inst. §§ 61, 62, and authorities there cited.)

This leaves the sole question for our consideration, does the clause in the notes "with exchange" destroy their negotiability? In *Hughitt* vs. *Johnson* (28 Fed. 865) in passing upon the question as to whether a clause in a note providing for payment with exchange destroyed its negotiability, Justice Brewer said:

"Now, this is a stipulation which affects the amount to be paid, and the amount to be paid at the maturity of the paper, and in that respect differs from those stipulations for the payment of attorneys' fees in case of collection. * * * But this stipulation renders uncertain the amount to be paid at the maturity of the paper. It is exchange, and what that exchange will be no one can tell."

Culbertson vs. *Nelson* (Iowa, 61 N. W. 854) is one of the leading cases upon the subject under consideration. Many authorities are collected and cited, and ably reviewed, and the conclusion reached is that a draft containing the words "with exchange" destroys its negotiability. It was held in that case that an instrument, to be negotiable, among other things, must bear upon its face absolute certainty as to the amount to be paid; and where a draft or note is payable with exchange, as exchange is constantly fluctuating, the amount to be paid at maturity is thereby rendered uncertain. So long as exchange is a matter of fluctuation or uncertainty, and so long as we subscribe to the doctrine that a negotiable instrument must be definite and certain as to the amount to be paid at maturity, it must be held, and we must adhere to the doctrine, that the words "with exchange" render such instrument non-negotiable. In Michigan it was held that a promissory note containing a stipulation to "pay all taxes assessed against the real estate and the mortgagee's interest therein, described in a mortgage given to secure this note until it is paid," was not negotiable, on the ground of uncertainty as to the amount to be paid. (*Walker* vs. *Thompson*, 66 N. W. 584.) In *Bank* vs. *McMahon* (38 Feb. 283) Judge Shiras said: "As already stated, the question is whether a note which provides that the several installments of interest as they become due, and also the principal sum, shall be paid at Council Bluffs, Iowa, with exchange on New York, is or is not negotiable according to the rules of the law merchant. Upon this question the authorities are not in accord. The general rule has long been established that certainty in the sum to be paid is one of the elements essential to render notes negotiable. * * * If we adhere to the principle that, to render a note negotiable, the amount to be paid at maturity must be ascertainable from the face of the note, without resort to evidence dehors the instrument, we have a fixed and certain rule for guidance; but if we depart from this principle, doubt and uncertainty will arise as to the character of notes and other like instruments for the payment of sums depending on contingencies. If there was a fixed rate of exchange established by law, or if the note provided the rate to be paid, so that from the face of the note it could be computed what the exchange would be, then the note itself would contain all the facts necessary to be known in order to ascertain the sums necessary to be paid at maturity in discharge of the obligation of the maker. And in that case there would not be any uncertainty in the amount of the note.

* * * The contract evidenced by the note binds the maker thereof to pay the installments of interest and the principal with exchange on New York, and the latter provision is as much a part of the contract as are the provisions touching the principal sum and interest. Resolving the contract into its several parts, we find it to be a contract for the payment of the principal sum of $14,000 in five years from date, for the payment of $490 every six months as interest, and for the payment on each installment of interest and also the principal sum, when paid, of the current exchange between Council Bluffs and New York. The party is bound to pay this current rate of exchange as a part of the contract. The amount thereof is left wholly dependent on what the rates may be when the several payments come due, and there is no legal or business rule by which it can be ascertained until the date of payment arrives. It is difficult to conceive of any other provisions that could have been incorporated into this note that would have rendered the amounts to be paid more uncertain than this one touching the payment of exchange. True, the fluctuations in the rate of exchange may not have been very great; yet this could not have been foreseen with certainty when the note was executed. When the note was signed, it was impossible to know whether the rate of exchange to be paid would be one-tenth of 1 per cent, or 1 per cent. Therefore, it is clear that, unless we abandon the rule of requiring certainty in the amount to be paid at maturity as an essential element in negotiable paper, this note cannot be held negotiable, under the principles of the law merchant." *Flagg* vs. *School Dist.* (N. D.) 58 N. W. 499, is a case strongly in point. Without quoting at length from the opinion, it is sufficient to say that it is directly held that an instrument providing for the payment of exchange in addition to principal and interest is not negotiable by the law merchant, and that one who purchases the same before maturity for value, and without any notice of any defence thereto, nevertheless takes it subject to the defense of want of consideration, good as between the original payer and payee. From many cases holding that though the principal sum and interest to be paid is definite, fixed, and certain, if the instrument provides for the payment of exchange, etc., which render the sum to be paid at maturity uncertain, such provision destroys the negotiable character of the instrument, we cite the following: *Lowe* vs. *Bliss* (24 Ill. 168); *Bank* vs. *Bynum* (84 N. C. 24); *Bank* vs. *Strother* (S. C. 6 S. E. 318); *Fitzharris* vs. *Leggatt* (10 Mo. App. 529); *Nicely* vs. *Bank* (15 Ind. App 563, 44 N. E. 572).

[The Court here quoted at length from *Culbertson* vs. *Nelson.*]

While we are not forgetful of the fact that some of the courts have held, and upon apparent plausible grounds, that a promissory note or draft payable with exchange is negotiable by the law merchant, yet the views expressed and conclusions reached in the many cases we have cited seem to us to rest upon a firmer basis, and are supported by more substantial reason. Negotiable paper, which enters so largely into the commercial exchanges of the world, in the interest of business transactions, should bear upon its face no element of uncertainty or doubt. As was said in one case, it should be a "courier without luggage," and this it cannot be unless upon its face it is freed from uncertainty. When it provides for the payment of any sum by way of exchange, and does not provide for the rate or amount to be paid by its express terms, then the amount to be paid at maturity is uncertain, and it becomes non-negotiable. 1 Pars. Notes & B. p. 87, says:

"There should be an entire certainty and precision as to the amount to be paid. The reason of this is especially obvious; for, if the note is to represent money effectually, there must be no chance of mistake as to the amount of money of which it thus takes the place and performs the office. On this point, therefore, the cases are quite stringent. The sum must be stated definitely, and must not even be connected with any indefinite or uncertain sum."

It is to be regretted that, upon a question which affects so largely the commercial interests of the country, there is a diversity of opinion, and we indulge the hope that the time is not far distant when the courts will universally adopt and fix a definite rule by which all may be guided. There seems to be good reason to support both contentions, but we think the great weight of authorities, and the better and safer doctrine, is that the words "with exchange" render a promissory note non-negotiable, and we must so hold. It follows as a result of this conclusion that the court erred in sustaining the demurrer to the first, second, and third paragraphs of answer, and the judgment is reversed, with instructions to overrule the demurrer, and for further proceeding not inconsistent with this opinion.

CASHIER—PARTNERSHIP PAPER—WAIVER OF PROTEST.

Court of Appeals of Kentucky, April 29, 1897.

HAYS *vs.* CITIZENS' SAVINGS BANK.

Where the Cashier of a bank fails to have protested a bill of exchange drawn by a firm of which he is a member and discounted by the bank, he will be deemed to have waived protest in behalf of the firm.

PAYNTER, *J.:* The bill of exchange upon which this action was brought was drawn by J. D. Hays on and accepted by Howard, indorsed by Hays, and discounted by appellee bank. Moore was Cashier of the bank when the bill was discounted and when it matured.

On the former appeal of the case to this court it was decided that Moore and Hays were partners doing business under the firm name J. D. Hays, and that the bill was drawn and discounted in the course of the partnership venture.

While the case came here on the action of the court in sustaining a demurrer to the petition, yet the amended answer did essentially change the facts upon which this court so adjudged; and the case, so far as the question of partnership is concerned, is *res judicata*.

The bill, at maturity, was not protested, but this court (*Bank* vs. *Hays*, 29 S. W. 200) held that on the facts as then presented by the pleadings it was an inland bill of exchange, and that protest was unnecessary, but that drawers and indorsers of such bills were entitled to notice of non-payment, but, as Moore was himself drawer on the paper, as well as Hays, and interested as a partner in the business, there was no reason for notice, as Moore knew of the date the paper matured and the fact of its non-payment.

On a return of this case Hays filed an amended answer, in which a section of the charter of the appellee is quoted, which in express terms places bills like the one in suit upon the footing of foreign bills of exchange. This answer presents a question which was not considered by the court on the former appeal.

To charge drawers and indorsers on foreign bills of exchange, there should be a protest and notice of it given to them. The question is whether, Moore being, by reason of the partnership, a drawer and indorser of the bill, with a knowledge of its dishonor and non-payment, there was a necessity for a protest and notice in order to hold Hays liable on the bill.

We are of the opinion that Hays, as the partner of Moore, is not, nor can he be, held liable for any negligence or misconduct of Moore as Cashier of the bank. Such a liability was not contemplated by the terms of the partnership, as he in no wise undertook to guaranty the bank against loss on account of the negligence or misconduct of Moore in the official position of Cashier. The partnership venture had no relation to such a matter. Hays' liability on the bill turns upon the question as to whether the knowledge Moore had of the dishonor and non-payment of the bill rendered a protest unnecessary in order to charge the members of the firm on it. If

Moore had been alone the drawer and indorser of the bill, it seems to us that a protest of it would have been entirely unnecessary to charge him with liability. If, under such circumstances, he would have remained liable on it, why are not he and his partner liable, under the facts of the case, as a notice to one partner is a notice to all the members of the firm.

We think, from another view of the case, the members of the firm cannot properly claim to have been discharged from liability. Moore occupied a dual position. As Cashier he could have had the bill protested. As a partner he could have waived protest for the firm. The presumption should be indulged that he did waive protest. The judgment is affirmed.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail. See advertisement in back part of this number.

Editor Bankers' Magazine: FLORENCE, Wis., July 17, 1897.

SIR:—A bank receives a "stale" account for collection, from a firm of attorneys, acting for a collection agency, said account being against a party living in a nearby town, without a bank, and being distant about two miles, amount of claim being $60. The bank receiving the collection collected it and made returns less ten per cent to cover their expenses and fees, which they deemed a reasonable charge for services rendered, having made three trips to the other town in connection with the matter. The firm of attorneys returned the draft remitted, and served a writ of attachment against the bank's Chicago account for the full amount, less fifty cents. Can the firm of attorneys collect more than the bank remitted them; and would they not be liable for damages for serving the writ of attachment, without cause, against the bank's Chicago account? The firm of attorneys claim that ten per cent. charged by a bank is illegal, and it seems to be a question as to which party has the right to decide what a "reasonable charge" would be to cover expenses incurred and services rendered. E. E. WILCOX, *Cashier.*

Answer.—It is not a part of the business of a bank to make collections of accounts; but where a bank has actually performed such a service at the request of the creditor, or his duly authorized agent, there appears to be no reason why it may not charge a reasonable compensation therefor. What would be a reasonable compensation is a question to be determined by a jury, upon proof of all the circumstances, and upon proof of the customary charges in such cases. The contract being executed, and not merely executory, the question of *ultra vires* would not enter into the decision of the matter.

Editor Bankers' Magazine: EVANSTON, Ill., July 21, 1897.

SIR:—A makes out a check payable to B drawn on some bank. Now, before B presents this check for payment, A goes to his bank (the one on which the check is drawn) and asks that payment be stopped, with or without a reason. This check goes through the clearing-house. A's bank refuses payment on the check and it is sent back to B's bank, and B's bank refuses to take it up. Has not A's bank the right to throw out the check, and should not B's bank take it up? CHAS. N. STEVENS, *Assistant Cashier.*

Answer.—Under the rule which prevails in the Federal courts, and also in many of the State courts, including those of New York, the holder of a check has no right of recourse against the drawee bank, unless and until it has accepted or certified the same, and where payment of the check is stopped by the drawer, the bank has only to follow his directions, and the holder can look only to the drawer and indorsers, if there are any. But under the rule which obtains in Illinois the drawing and delivery of a check is an assignment *pro tanto* of the funds of the drawer on deposit; and the holder may maintain an action on the check against the bank. The bank, however, cannot be prejudiced by any controversy between the drawer and the holder; and if the drawer directs the bank not to pay, it is not

bound to decide between them at its peril; and would be justified in refusing payment; and if sued by the holder may protect itself by an interpleader. We do not think that the presentation through the clearing-house would affect the case, and are of the opinion that A's bank would have the right to return the check to the bank which presented it.

Editor Bankers' Magazine: RACINE, Wis., July 13, 1897.

SIR:—A firm drew a ten days sight draft on a customer of theirs in Michigan, and mailed it for collection, to a National bank in the town where the customer resided. The draft was accepted and would have become due on August 8. Not receiving returns, the drawer asked for report on August 12, to which the bank replied on August 14 that they have no record of the item. On August 15 the bank returned the acceptance unpaid, and not protested, and with the indorsement "promise to pay." The same day, August 15, drawee made an assignment and the Cashier of the bank which failed to collect the acceptance was made assignee. Will you kindly give me your opinion as to the responsibility of the bank to the drawer. Do you know of similar cases, and how have the courts decided same? Do you know if the State law affects the responsibility of the bank to the drawer in a case as stated.

SUBSCRIBER.

Answer.—It is well established that a bank receiving paper for collection is bound to present the same for payment at maturity; and if payment is not made, advise the holder promptly. The bank must do all that the owner of the paper himself would do if he were an ordinarily prudent and careful man. (*Smith* vs. *Miller*, 43 N. Y. 172; *First Nat. Bank of Meadville* vs. *Fourth Nat. Bank*, 77 N. Y. 320; *Bank of New Hanover* vs. *Kenan*, 76 N. C. 340; *Allen* vs. *Suydam*, 17 Wend. 368.) It is evident that in the case stated in the inquiry, the bank was guilty of negligence in not making presentment on the day the acceptance became due; and if it can be shown that the draft would probably have been paid if presented then, the bank will be liable for the amount to the drawers. (See cases above cited.) The matter is not governed by local law, but by the common law rules applicable to the dealings between banks and their customers.

Editor Bankers' Magazine: ARDMORE, I. T., July 26, 1897.

SIR:—A, one of our correspondents, sent us a check for credit, and we sent it to B, another one of our correspondents, for our credit. The latter sent it to one of their correspondents, but the check was lost in the mail. Can B hold us, and can we hold A for the amount of the check?

CASHIER.

Answer.—We do not know of any case where a collecting bank has been held liable for an item lost through miscarriage in the mails; and we doubt if the rule which holds it responsible for the acts or defaults of its correspondents would be applied in such a case. But when bank A has proven that it placed the check with the other bank for collection, the burden would be upon such other bank to show that there was no want of diligence on its part, or on the part of its correspondent, and that the check was duly mailed, and that the loss occurred in the mail.

Editor Bankers' Magazine: DENVER Colo., July 24, 1897.

SIR:—Should checks drawn (1) "Pay to self," (2) "Pay to self or order," when presented in person by drawer to the bank on which drawn, be endorsed. If yes, can it be legally required, or is it merely a bank custom?

TELLER.

Answer.—Where an instrument is drawn payable to a designated payee or his order, his indorsement is necessary only for the purpose of negotiating the instrument; it is not required to entitle him to demand payment. He may sue upon the instrument without alleging or proving his indorsement; and such averment and proof are essential only where the action is brought by some one claiming by transfer from the payee. Now, where the drawer presents his check for payment, this is not a negotiation of the check, but a demand of payment; and though the check is drawn payable to himself or his order, his indorsement is not necessary to authorize the bank to pay to him, and such payment, without his indorsement, discharges the instrument. Hence the bank has no absolute right to require his indorsement.

*SCHOOL SAVINGS BANKS.

["From The History of the School Savings Banks," by Mr. A. de Malarce, Paris.]

Pursuant to a French law of July 20, 1895, the rate of interest paid to the Savings banks by the *Caisse Nationale des Dépots et Consignateurs* (the administrator of the funds of the Savings banks) has been reduced in view of the circumstance that for the last few years the returns from absolutely safe investments and from French rente titles barely yielded three per cent., and even less, as the price for the French rentes rose above par, to 103. In consequence a good many depositors, tempted by the relatively higher interest offered them elsewhere—3.50 and even 3.75 per cent.—withdrew their accounts.

At this moment, therefore, the Savings banks of all descriptions realize the necessity of extending their *clientele* to compensate them for the shrinkage caused by these new unfavorable legal provisions, and gladly welcome the school Savings banks, which according to the official report of the French Ministry of Commerce and of many Savings banks, are powerful propagandists among the families of the working class, attracting to the Savings banks new depositors from among the adult population and in the rising generation preparing numerous young clients who at some day will become valuable adult depositors.

At this opportune time Mr. de Malarce has just published the "History of the Institution of School Savings Banks" (*Histoire de l' institution des Caisses d' Epargne scolaires*) and the 14th edition of his Manual of 1874, which was chiefly instrumental in the organization and development of these institutions during the past twenty-three years.

The *Journal des Economistes, Revue Mensuelle de la Science Economique* (Monthly Review of Political Economy) in its issue of March, 1897, says:

"This history is an exposition of the origin, the organization and the results of this economical and moral institution, the first idea of which dates back to 1797—exactly a century ago to-day—and which since its organization in 1874 has rapidly been extended so as to be established in almost twenty-four thousand (23,960) schools in France with about half a million (491,160) saving pupils, and in nearly all the countries of Europe, in the United States, in Brazil and in Australia; and all this through a free initiative appealing for voluntary contributions. The author, Mr. de Malarce, who for the past twenty-three years has been the organizer and promoter of this new branch of education, cites in this work the many eminent statesmen and men of letters who in France and in other countries of the civilized world have given their support to this work, of which the London paper 'The Times' wrote in 1887:

'Indeed a great success in France'; and the success of which is now also manifest in the United Kingdom, in Germany, in Austria-Hungary, in Russia and the other states, in Switzerland, Italy, Spain; especially in the United States and even Australia."

The prominent British review, "The Nineteenth Century," published two thoroughgoing articles on this subject, from which the following is quoted:

"Three things must be pointed out: that in France the organizer succeeded in obtaining the support of men of *local* prominence, which was not to be foreseen and is very rarely attained in France where all progress seems to emanate from a central authority in Paris; that all members of instruction in France of every degree has shown a devotion and educa-

*Translated for the BANKERS' MAGAZINE by Geo. H. Kretz.

tional sense altogether remarkable—and finally that the first experimental years of the *method* of 1874 of Mr. de Malarce proved that owing to the lack of a good system all previous attempts during the many preceding years remained uncertain and isolated trials. And if, after the French method had thus been formulated, there had been in England only a portion, however small, of the public spirit created on this subject in France by the wise and clever policy and the indomitable energy of the French organizer, our instructors and our school boards in their majority would not have remained indifferent to, and even ignorant of, the recommendations which our department of education clothed in these words: 'A school Savings bank is not a trite collection of pennies, but it should be an educational exercise. It differs from an ordinary penny bank in three distinct points. (1) It forms an integral part of the educational exercises of the school; (2) it is directed, managed and explained by the school principal, all intrusion from outsiders, not connected with the school, being excluded; (3) only the pupils are depositors and they only deposit the small sums of their own pocket money.'"

Through the impulse given by France the director of the Savings bank of Liverpool, Mr. Thomas Banners Newton, in 1875 organized in that great commercial city school Savings banks in several schools of the city; by 1878 thirty-five school Savings banks there comprised 3,980 saving pupils having to their credit £772 of savings, and in 1896 eighty-two school banks with 36,827 saving pupils contained £5,789.

In the same manner in Manchester, through the efforts of Right Hon. Mr. Chamberlain, M. P., now Minister of State, there were sixty-eight school banks with 29,660 saving pupils. In London out of 1,075 school principals 922 had in 1887 agreed to school banks.

On this subject the Bishop of Liverpool, Rev. John Ch. Ryle, recalled the three famous maxims of the moralist John Wesley (1789); "Work as much as you can, save as much as you can and give as much as you can."

And Lord Derby: "The art of saving money like many other arts, is a difficult one to acquire. A child cannot too soon be taught, and the best text-book for the purpose is a school bank book."

Mr. Samuel Smith, M. P., for Liverpool, at one of the annual meetings at which the promoters of this institution gave an account of the moral and economic results, spoke these words, showing deep insight into social matters. "These acts of saving on the part of our children represent sacrifices, and all great things are accomplished by the virtue of a sacrifice. The habitual and methodic practice of saving, guided and explained by the teacher at school, forms well regulated social energies which remain in tenfold strength with the adult."

In Germany Pastor Senckel, who in 1887 founded the German Society for the propagation of juvenile Savings banks of which he is general secretary, brought about the organization of 2,599 school Savings banks, comprising to-day 243,983 saving members, and according to his report Prince Bismarck, then Chancellor of the Empire, recommended to the educators "this new branch of education, *die Schulsparcasse*, as being the apprenticeship of economic and moral life for the laboring people, the seminary of all other popular institutions, and as one of the forces of moral education, which, beginning at the tractable age, trains the new generation to a sober and regular life, to self-control, and in those domestic and social virtues which in the adult constitute a strong, virile character."

In the schools of Portugal one finds attached to their walls these maxims in the Portuguese language:

There is no better means of opening the path to true civilization for the people than the school Savings bank.—*Franz Déak* (The great Hungarian patriot).

The school Savings banks teach wise economy as a virtue is taught by practicing it.—*Malarce.*

The school Savings bank is the basis of all other institutions for making provision.—*Luzzatti.*

Education is, and ought to be, the initiation into the whole life.—*Spencer.*

In closing this study let us recall that according to the official report of the French Ministry of Commerce for 1879 and 1881:

"The unprecedented extension of the *clientele* of the Savings banks in France since 1875 is attributed to the propagandist influence of the school Savings banks. The beneficial and moral action of the Savings banks has been very usefully aided by the school Savings banks. The extension of the school Savings banks has shown the parents, by the example of their children, the advantage of saving, demonstrated besides by the school principals on the occasion of the collection and application of the moneys saved at school."

The following table shows the development of the French Savings banks since the organization of the school Savings banks in 1874.

In 1870 (July 15) on the eve of the war the French Savings banks had only 2,100,000 depositors, representing the sum of 750,000,000 francs. After the war of 1870–71, in 1873 the number of depositors was 2,079,196 and the amount deposited 589,000,000 francs.

DEPOSITS IN THE SCHOOL SAVINGS BANKS OF FRANCE.

YEAR.	*Number of depositors.*	*Amount of deposits expressed in million francs.* (a)
1874	2,170,066	573
1875	2,365,567	660
1876	2,625,209	769
1877	2,868,262	863
1878	3,173,721	1,016
1879	3,507,717	1,154
1880	3,841,104	1,280
1881	4,199,228	1,409

(a) The influence of the propaganda carried into the families by the pupils and principals.

Beginning with 1882, the law of April 9, 1881, going into effect on January 1, 1882, raised the maximum limit of each book from 1,000 francs to 2,000 francs, and instituted the postal Savings banks, two factors which have in an exceptional manner determined the increase of depositors as well as of the capital deposited with Savings banks, and allow no further comparison with preceding years.

In 1895 the number of depositors, in ordinary Savings banks (6,449,218), and in postal Savings banks (2,000,000) reached eight millions with a capital approaching four milliards* francs.

The above table proves the active interest which the Savings banks should have in extending the work of the school Saving banks, these preparatories of the large Savings banks.

*A French milliard is one thousand millions.

Russian Monetary Reform.—"The change inaugurated about two years ago in the currency of Russia from a silver to what is supposed to be a gold basis has had a somewhat depressing effect upon the mind of the peasant farmers. By imperial edict it was made known that a five ruble gold piece would, until further notice, be equal to seven rubles and fifty copecks paper currency, and a check drawn on any Russian bank for seventy-five rubles must be considered paid should the holder receive fifty rubles in gold.

When the peasants were offered a five ruble gold piece in payment of a debt due them for seven rubles and fifty copecks, they refused to accept it and pointed out that stamped on the gold piece in plain Russian characters were the words 'five rubles,' and they furthermore demanded to know why it was that they were expected to believe that twice two and a half made seven rubles and fifty copecks in money or anything else. The Government officials were equal to the emergency and recoined the same five ruble gold piece and stamped on it seven rubles and fifty copecks, which illustrates the old adage that 'there are more ways of killing a cat than by choking it with butter.'"

FUNDING THE DEBT—CREDIT CURRENCY.

My suggestion for refunding the public debt, concisely stated, is as follows:

Present interest bearing debt		$847,364,690
Interest to maturity		440,667,164
Total debt		$1,228,031,854
Estimated present worth, or cost to obtain surrender		$1,000,000,000
Add legal-tender notes	$500,000,000	
Less gold and notes in the Treasury	150,000,000	350,000,000
Total funded debt		$1,350,000,000
Interest charge at two per cent		27,000,000
Present interest charge		34,000,000

I would have the bonds all payable at the pleasure of the Government in U. S. gold coin of present standard, the first issued to be the last subject to call. In this manner a bond is provided which would run longer than any date that would be likely to be named.

The fact—which would be admitted—that these bonds could never reach any large premium, and that at times the later dated ones might be at a considerable discount, would be circumstances in their favor and not against them.

The price I suggest to be paid is higher than the present market rates, but the result would still be greatly in favor of the Government, as I estimate that there would follow a reduction in the annual interest charge from $34,000,000 to $27,000,000.

These bonds accepted at par for circulation, with tax removed, would supply a sufficient basis for circulation purposes.

I would retire gradually the present legal-tender notes, by requiring every bank applying for circulation to purchase from the Government an amount of the new bonds equal to twenty per cent. of the bonds offered for deposit, the proceeds of which to be used in redeeming and cancelling a like amount of Treasury notes.

In my opinion, when the legal-tender notes are retired and the National bank notes are required to be redeemed in gold, the silver coins would continue to circulate at par and no reserve would be required to maintain the parity. They would continue to be legal tender and to be counted as such in the reserve required to be maintained by the banks against their deposits. The amount now outstanding would not be so large as to glut the market, especially if bank bills were limited to denominations of $10 and upwards. In fact, I believe that an addition to this circulation could eventually be made with safety to the extent of the silver bullion now owned by the Government, which would be released by the redemption of the Sherman legal-tender notes. France maintains in this manner at parity with gold a much larger volume of silver than ours, although the ratio there is 15½ to 1, making less valuable coins.

As to the question of an automatic credit currency, I do not deny the possibility of such a currency. I admit the advantages that would follow the use of such a currency under proper conditions and safeguards, and I think this problem in finance, as I regard it, may yet obtain successful demonstration in this country, where new and improved methods in all things are more likely to be exploited than in the custom-buttressed countries of the old world.

But when a system of this character is adopted for this country, it should be put into practical operation very slowly, because at its best it is an experiment.

No such currency system is in existence at this time in any country or has ever existed.

It has been claimed that something of this character is in successful operation in England, Scotland, Ireland and France, but a very brief investigation will show that this statement is not sustained by the facts.

In Great Britain, the Bank of England is the only institution which has the right to issue notes, without geographical limitation. But aside from its unrestricted privilege of issuing notes against gold coin and bullion deposited—pound for pound—its circulation at present is limited to £16,800,000, and this must be secured by public securities of a like amount. The Bank of England, therefore, issues no credit currency. Certain private bankers and joint-stock banks in England, Scotland and Ireland having charter privileges of prior date to 1844 are authorized to issue notes without security, but the volume of all is limited to that shown to have existed during the year ending May 1, 1845.

No further privileges of this character have been granted since that time, and when for any cause a bank ceases to do business the privilege dies with it. In consequence of this, the number of banks and volume of circulation have greatly decreased as may be seen from this statement:

	Number of banks.	* *Circulation.*
1845	304	£18,073,350
1896	106	5,856,401

* Uncovered notes.

From this it is seen that the uncovered bank note circulation at present is less than $80,000,000 against more than $90,000,000 in 1845, and that the practical operation of the English Bank Act of 1844, although slow in effect, will eventually terminate the issue of all credit currency in Great Britain and Ireland.

The showing for a credit currency is somewhat better in France and Canada, but under conditions entirely different from those existing in this country.

France has only one bank with an enormous capital, to whom the privilege of issuing notes is given, while Canada has only thirty-eight banks, with an average capital and surplus for each one of over two and a quarter million of dollars.

In the United States, we now have over 9,000 banks, of which 3,711 are National banks with an average capital of less than $200,000.

It has been proposed to give these banks the privilege of issuing notes to circulate as money, without the deposit of any security whatever, to the extent of the capital they might be able to show upon their books, the Government to guarantee the payment of these notes, its recompense being a graduated tax amounting to an interest charge. The safeguards imposed might be entirely adequate if applied to a small number of banks with well-known and responsible managers, and capital sufficient to protect against any possible loss, but there is nothing to show in our past history, or in the history of any other country, that such a privilege can be safely bestowed upon perhaps 10,000 different institutions, having no interest in or acquaintance with each other's affairs and representing all kinds of business methods and financial management.

In my judgment, the matter of the greatest importance at present is to settle our national finances by refunding the public debt into low interest bonds, and in so doing get rid of the use of the ambiguous word "coin" as the currency in which the debt is payable.

It is also, I think, a matter of pressing importance, although not so urgent perhaps as the first named, that the responsibility of maintaining the gold standard (or for that matter any other standard) should be taken from the Government and

placed upon the banks or the business of the country, as it is done in other countries. No gold reserve should be required to be held in our national Treasury for the redemption of paper notes.

The advisability of getting the Government "out of the banking business," by the retirement of the legal-tender notes, can be maintained upon much safer and sounder grounds than by the fancied necessity for an elastic paper currency.

These grounds are:

1. The actual saving in cost to the nation.

2. Relief from danger of panic, always possible so long as political agitation may be directed toward the repudiation or the partial repudiation of the Government notes.

The legal tenders should be retired when they can be replaced with National bank notes, issued under such rules, regulations and requirements as will insure their prompt redemption in gold.

The question of a credit paper currency can safely wait until these two great reforms are consummated, and the whole country is looking to the Republican party, which now controls the Government, for some prompt legislation in this direction.

HENRY W. YATES.

OMAHA, Neb., July 30.

THE PRESIDENT'S MESSAGE ON THE CURRENCY.

In my message convening the Congress in extraordinary session, I called attention to a single subject, that of providing revenues adequate to meet the reasonable and proper expenses of the Government. I belived that to be the most pressing subject for settlement then. A bill to provide the necessary revenues for the Government has already passed the House of Representatives and the Senate and awaits executive action. Another question of very great importance is that of the establishment of our currency and banking system on a better basis, which I commented upon in my inaugural address in the following words:

"Our financial system needs some revision. Our money is all good now, but its value must not further be threatened. It should all be put upon an enduring basis, not subject to easy attack, nor its stability to doubt or dispute. The several forms of our paper money offer, in my judgment, a constant embarrassment to the Government and imperil a safe balance in the Treasury."

Nothing was settled more clearly at the late national election than the determination upon the part of the people to keep the currency stable in value and equal to that of the most advanced nations of the world. The soundness of our currency is nowhere questioned. No loss can occur to its holders. It is the system which should be simplified and strengthened, keeping our money just as good as it is now, with less expense to the Government and the people. The sentiment of the country is strongly in favor of early action by Congress in this direction to revise our currency laws and remove them from partisan contention.

A notable assembly of business men, with delegates from twenty-nine States and Territories, was held at Indianapolis in January of this year. The financial situation commanded their earnest attention, and after a two days' session the convention recommended to Congress the appointment of a monetary commission. I commend this report to the consideration of Congress. The authors of the report recommend a commission to make a thorough investigation of the monetary affairs and needs of this country in all relations and aspects, and to make proper suggestions as to any evils found to exist and to the remedies therefor.

This subject should receive the attention of Congress at its special session. It ought not to be postponed until the regular session. I, therefore, urgently recommend that a special commission be created, non-partisan in its character, to be composed of well-informed citizens of different parties, who will command the confidence of Congress and the country because of their special fitness for the work, whose duty it shall be to make recommendations of whatever changes in our present banking and currency laws may be found necessary and expedient, and to report their conclusions on or before the first day of November next in order that the same may be transmitted by me to Congress for its consideration at its first regular session. It is to be hoped that the report thus made will be so comprehensive and sound as to receive the support of all parties and the favorable action of Congress. At all events, such a report cannot fail to be of value to the executive branch of the Government, as well as to those charged with public legislation, and to greatly assist in the establishment of an improved system of finance.

WILLIAM MCKINLEY.

EXECUTIVE MANSION, July 24, 1897.

CANADIAN BANKING AND COMMERCE.

QUARTERLY REVIEW OF THE BANK RETURNS.

The bank statement for the month ending June 30 marks the close of the second quarter of the year 1897. Speaking generally, it is an improvement on the figures for the same period last year.

Bank note circulation for April declined from $31,082,500 to $30,814,900, a reduction of $267,600. The decline the previous year was $1,134,500. Deposits payable on demand increased $2,274,500, and deposits payable after notice, $802,751. The increase throughout the year was over six millions. Current loans, another important item, increased from $213,282,400 to $216,284,900, an increase of over three millions. In April, 1896, current loans decreased $1,814,700. The tariff changes then pending made buyers cautious, hence the inclination to run in opposite directions. Overdue debts decreased $177,504, which would indicate a preparatory effort for the coming expected revival after the tariff had been definitely settled.

A comparison of the following items in the bank statements will be of interest:

April.	*Note circulation.*	*Deposits on demand.*	*Deposits after notice.*	*Current loans.*
1892	$31,466,369	$60,730,909	$94,447,185	$191,995,277
1893	32,633,073	64,542,427	104,216,667	206,789,141
1894	29,996,472	63,772,064	109,589,042	205,051,675
1895	29,152,152	65,578,633	114,457,027	203,273,500
1896	29,654,978	60,859,928	120,644,617	210,202,087
1897	30,814,923	69,730,791	126,994,097	216,284,936

These figures show how steadily the growth of deposits withdrawable after notice and current loans have gone on for these years and also the increase in the volume of business transacted.

The May statement is generally supposed to make the poorest showing of the year from a trade or commercial point of view. However this year was an exception. The bank note circulation increased from $30,814,923 in April to $31,820,445 in May, an increase of $1,005,522. This increase for the month of May is seldom equalled and only in 1893 has such been the case, but the increase over the previous year is a matter of greater and more favorable significance, the amount being $2,425,001. The relief from tariff uncertainty must certainly receive its just quota of credit for a portion of this increase. The increase in deposits, May over April, is nearly three millions, and over the same month, 1896, nearly sixteen millions. This increase in deposits is more by a considerable amount than is necessary to carry on the increased trade in Canada as may be noticed by the fact that some of the funds are seeking employment in American cities—increasing the amount under that head by over two and one-quarter millions, viz., balances due from banks and agencies in foreign countries and a drop of over four and one-half millions in current loans. This seeming reduction was considerably influenced by preparations made pending the final declaration in regard to the tariff.

During the early part of June the annual statements of several of our leading banking institutions are submitted, and it is remarkable how closely and interestedly these statements and utterances are scanned and studied and sought after. The

opinions expressed by these veteran bankers have an effect that can hardly be realized by those not fully conversant with the banking affairs of the Dominion.

The General Manager of the Bank of Montreal, speaking on the increase of deposits, said: "I cannot say that bankers at present regard with any great degree of pleasure the increase in this item, particularly when they, like ourselves, are obliged to lend it abroad at a nominal rate." Again he says: "Altogether you will admit we are in an exceptionally strong financial position, but not one in which we can make much profit with the present low value of money in foreign markets."

The same sentiments have been expressed in relation to profitable investment by the General Managers of other prominent banking houses.

The June statement, which has just been issued, continues to show signs of activity and the more encouraging as it comes slowly and seems evenly distributed throughout the banks of the Dominion. The most satisfactory showing of trade may not be so readily seen in the bank statement alone as by comparing the figures with other official returns bearing upon the commerce of the country. The railway earnings are increasing, the shipping business is rapidly expanding, dairy produce is in greater demand and commands better prices, agricultural and stock export trade of all kinds is more promising than has been the case for some years. The Canadian banks have never been in a better position to deal largely and on advantageous terms with each and all of the industries requiring financial aid than at present. The bank note circulation gives a fair idea of the business movement. The amount standing under that head on June 30 for the six years was as follows:

1892	$32,614,609	1895	$30,106,578
1893	33,483,413	1896	30,336,844
1894	30,254,159	1897	32,366,174

Thus it will be seen we are nearing in value the days preceding the panic of 1893. The last year shows an increase of over two million dollars. The deposits by the public, another source of ascertaining to a certain degree the growth of the wealth of the country, had at the end of June reached over two hundred millions. Only a few years have elapsed since they were little over half that amount. The growth during the last year, as may be seen in our accompanying abstract, is $17,871,666. This increase is nearly equally divided between deposits payable on demand and those payable after notice.

The small increase of about half a million during the year in current loans indicates the caution observed in large ventures owing to the pending tariff changes. In the current and succeeding months this item is likely to show a greater gain.

The dulness of ordinary trade and commerce had the effect of throwing a larger amount of idle capital into bonds and stocks in the way of call loans—as the amount under that heading shows a fairly large increase. Considerable amounts have also been invested in securities—Canadian, municipal, foreign or colonial, also railway securities. Specie and Dominion notes held by banks have increased largely during the year—about two and three-quarter millions.

The promise of a bountiful harvest is another important matter to be considered at this time. The crop which is now being harvested in many places is good and should nothing affect it detrimentally where it has not altogether matured, the general result throughout the Dominion will be far ahead of what has been attained for years past if it has ever before been reached. The mines of British Columbia have begun to contribute their quota in bringing on prosperity, and ins ead of the constant drain of money going west some of the gold is finding its way east.

With these prospects, which are under rather than over estimated, the showing of this season's business should equal if not surpass anything we have experienced in former years.

STATISTICAL ABSTRACT OF CANADIAN CHARTERED BANKS—COMPARISON OF THE IMPORTANT ITEMS.

Assets.	*June 30, 1897.*	*May 31, 1897.*	*June 30, 1896.*	*Increase and decrease for month.*		*Increase and decrease for year.*	
Specie and Dominion notes	$24,584,894	$24,594,155	$21,865,797	Dec.,	$9,261	Inc.,	$2,719,097
Notes of and checks on other banks	8,490,673	8,519,447	7,733,952	Dec.,	28,774	Inc.,	756,721
Due from banks and agencies in foreign countries	21,387,820	18,763,773	18,484,973	Inc.,	2,624,047	Inc.,	2,902,847
Due from banks and agencies in United Kingdom	8,131,042	8,981,513	3,599,625	Dec.,	850,471	Inc.,	4,531,417
Canadian municipal securities and British provincial or foreign or colonial, other than Dominion	12,385,051	11,875,353	8,727,596	Inc.,	509,698	Inc.,	3,657,455
Railway securities	13,206,897	12,976,319	11,585,001	Inc.,	227,578	Inc.,	1,618,896
Loans on stocks and bonds on call	14,898,629	14,256,608	13,024,606	Inc.,	642,021	Inc.,	1,874,023
Current loans to the public	208,527,690	211,750,319	208,014,178	Dec.,	3,222,629	Inc.,	513,512
Overdue debts	3,534,163	3,419,472	3,468,517	Inc.,	114,736	Inc.,	65,646
Total assets	$335,203,890	$334,603,054	$316,122,706	Inc.,	$510,836	Inc.,	$19,081,184
Capital.							
Capital stock paid up	$61,949,536	$61,943,156	$62,198,413	Inc.,	$6,380	Dec.,	$248,877
Reserve fund	27,070,799	27,020,799	26,348,799	Inc.,	50,000	Inc.,	722,000
Liabilities.							
Bank notes in circulation	$32,366,175	$31,820,445	$30,336,844	Inc.,	$545,729	Inc.,	$2,029,330
Balance due to Dominion Government	4,876,458	4,427,638	3,277,974	Inc.,	448,820	Inc.,	1,598,484
Balance due to Provincial governments	2,637,778	2,547,260	2,567,857	Inc.,	90,518	Inc.,	69,921
Deposits of the public payable on demand	71,468,457	70,183,545	62,934,531	Inc.,	1,282,912	Inc.,	8,531,926
Deposits of the public payable after notice	129,675,231	129,532,122	120,835,461	Inc.,	143,109	Inc.,	8,839,770
Deposits payable on demand or after notice between banks	2,940,414	2,838,777	2,494,116	Inc.,	101,637	Inc.,	446,298
Due to banks and agencies in foreign countries	408,529	320,798	178,877	Inc.,	87,731	Inc.,	229,652
Due to banks and agencies in the United Kingdom	2,693,051	3,373,262	5,098,596	Dec.,	680,211	Dec.,	2,405,545
Total liabilities	$247,766,150	$246,133,727	$228,238,219	Inc.,	$1,632,423	Inc.,	$19,527,931
Miscellaneous.							
Directors' liabilities	$7,737,674	$8,135,095	$7,522,302	Dec.,	$397,421	Inc.,	$215,372
Greatest amount of bank notes in circulation at any time during month.	33,070,121	32,637,033	30,964,363	Inc.,	433,088	Inc.,	2,105,758

Deposit with Dominion Government for security of note circulation (amount required being five per cent. on average maximum circulation for year ending June 30, 1896), $1,859,936.

NEW YORK STATE BANKERS' ASSOCIATION.

FOURTH ANNUAL CONVENTION, SARATOGA SPRINGS, N. Y., JULY 15 AND 16.

This year's annual meeting of the bankers of New York State was fairly well attended and was notable for the great practical value of the several papers and addresses presented on subjects of present interest to the bankers of the State.

The membership includes about seventy-six per cent. of the eligible banks of the State, so that the association is representative in character and is competent to speak with authority in behalf of the financial interests of this great State.

Therefore the utterances of the association contained in the resolutions on currency reform are entitled to great weight. They are not the idle assertions of politicians, but the well-considered views of men who have vast interests committed to their charge, and whose training and experience especially fit them to speak wisely on this important subject. Their conclusions should be heeded by the legislative branch of the Government.

The new officers chosen at the convention will insure a continuance of the progressive policy of previous administrations. Hon. A. B. Hepburn, the new president, is one of the best known bankers in the State, and his wise counsels will greatly strengthen the organization.

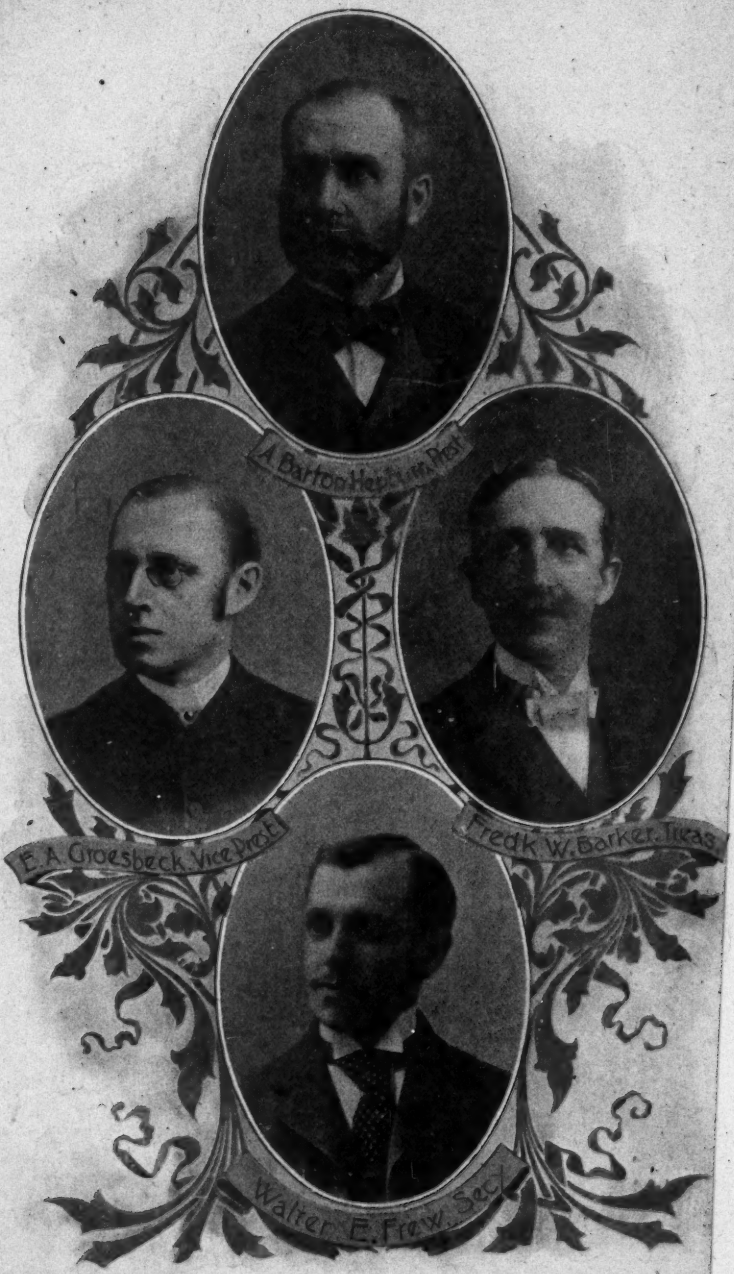
It is to be hoped that the members will use renewed efforts to increase the attendance at next year's convention. If the bankers of the State could be brought to a proper realization of the benefits and pleasures incident to these annual gatherings, it is believed that the numbers attending the conventions could be largely increased.

Each year the officers and the committee of arrangements work hard to prepare an attractive programme and to provide suitable entertainment, and they succeed admirably. But there ought to be a more general participation in the benefits and pleasures of the meetings, and there doubtless will be as the fame of the conventions spreads. It is certain that all who were at Saratoga this year will become enthusiastic missionaries in bringing up a large delegation from their respective groups at Niagara Falls in 1898.

President Dexter and the council of administration provided a most satisfactory programme and the committee of arrangements, of which Mr. Ledyard Cogswell was chairman, left nothing undone to make the social features attractive. A pleasant welcome was given by the bankers and other citizens of Saratoga Springs, and the mayor of the city in delivering his message of greeting reflected the opinions of the visiting bankers when he characterized his city as the peerless pleasure resort of the world.

A detailed stenographic report of the proceedings of the convention is given below. The several addresses and papers are presented in unabridged form, the latter having been revised for the BANKERS' MAGAZINE by their respective authors.

The accompanying group portrait of the executive officers of the New York State Bankers' Association was engraved especially for this number of the BANKERS MAGAZINE from recent photographs. Appropriate biographical sketches of these officers will be found immediately following the proceedings.


A. Barton Hepburn, Pres't
E. A. Groesbeck, Vice Pres't
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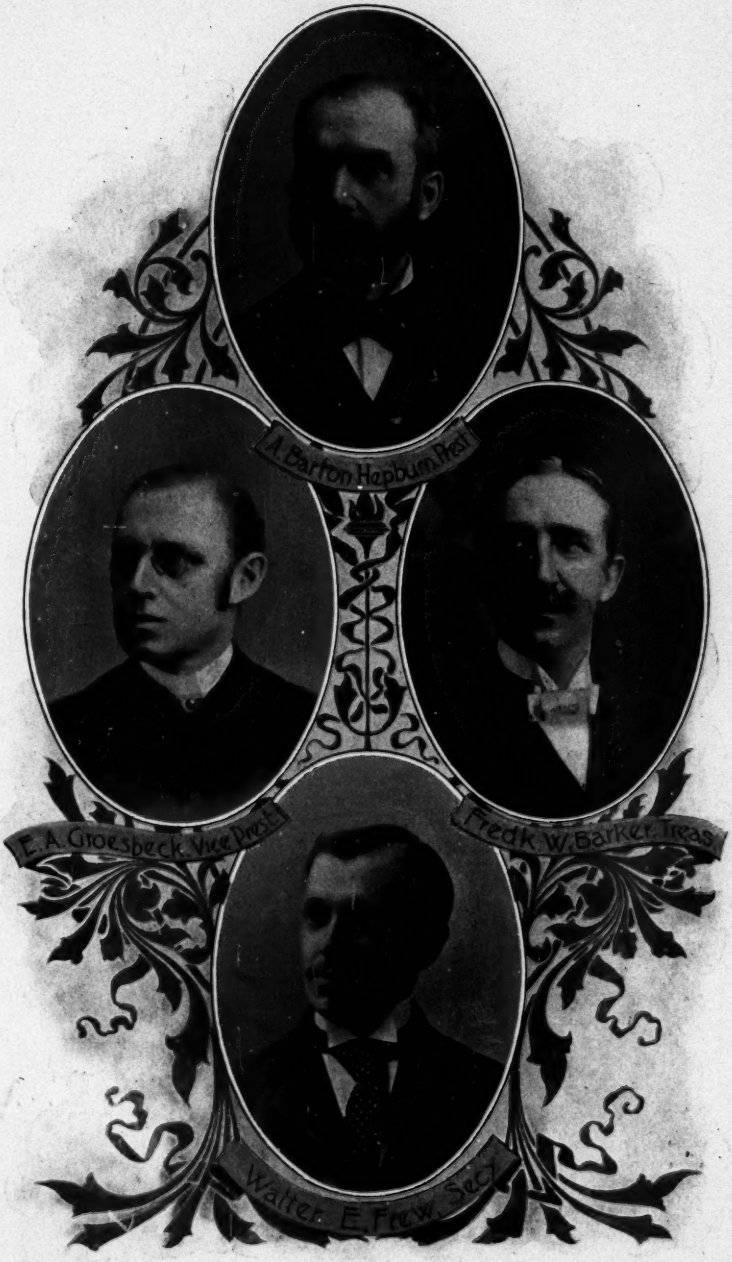
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PROCEEDINGS OF THE CONVENTION.

The fourth annual meeting of the New York State Bankers' Association was held in the Grand Union Hotel, Saratoga Springs, N. Y., Thursday and Friday, July 15 and 16, 1897.

The first session was called to order by President Seymour Dexter, at 11.30 A.M., on Thursday.

President Dexter called the convention to order, and the meeting was opened with prayer by Rev. T. F. Chambers, Pastor of the First Baptist Church, Saratoga.

THE PRESIDENT: We have with us this morning the Mayor of Saratoga Springs, who is here on behalf of the municipality to bid us welcome. I introduce Mayor Adelbert P. Knapp, of Saratoga Springs.

ADDRESS OF WELCOME BY MAYOR A. P. KNAPP.

Mr. President, Ladies and Gentlemen—I deem it a great privilege to welcome the bankers of the State at this your fourth annual convention, and I believe your third time of meeting as a body in Saratoga.

I have been commissioned by the citizens of this municipality—and I believe it is my official duty—to extend the greetings and the freedom of the village to visiting bodies, conventions and associations, and I know of no body of men to which I could extend those courtesies with greater pleasure than to the New York State Bankers' Association. Personally, I have always had a very kindly feeling toward bankers, and I have endeavored to cultivate them to the extent of making that feeling mutual. There are times when it is mighty convenient to be on good terms with your bankers.

Gentlemen, we feel honored by your presence here to-day. We are very proud of Saratoga. We think that it presents greater attractions to visitors and greater advantages as a convention town than any other place in the State, or, indeed, in the United States, and it is gratifying to know that a representative body of men such as the New York State Bankers' Association appreciates that fact and come here year after year to meet in convention. I am glad, gentlemen, that the majority of you, at least, if not all of you, are familiar with the beauties and charms of Saratoga, which makes it unnecessary for me to describe them, as I feel it would require a far more eloquent tongue than I possess to do justice to them.

We trust you will fully enjoy them all; that nothing may occur to mar the pleasure of your sojourn in Saratoga or to disturb the harmony of your convention, and that its results may be most satisfactory to you and beneficial to the interests which you represent. You have business before you, and I will not detain you longer. Permit me again to express to you the great pleasure it gives me to welcome you. I thank you, Mr. President and gentlemen, for the privilege of addressing you, and again I say you are very welcome.

THE PRESIDENT: Mr. Mayor, on behalf of the association I return to you thanks for your greeting to the members of the association at the opening of their meeting to-day. The members of the association have found Saratoga a pleasant place to come, as evidenced by the fact that three of its four annual meetings have been held in this beautiful place, and I assure you from my knowledge of the members here that they will take full advantage of the freedom of the city which you have tendered them, and that the meeting with this bright morning commences very auspiciously.

Thanking you again for your greeting to the bankers' association, we hope that we shall be able to come back and meet with you once more.

The next item upon the programme is the annual message of the president.

PRESIDENT'S ANNUAL MESSAGE.

Gentlemen—It was with great diffidence that I accepted the responsibility and honor which the third annual convention of this association conferred upon me, and with still greater diffidence I stand before you to present the President's annual message.

It does not seem to me wise to consume your time in a recital of facts that will appear in detail in the reports of the other officers of the association. Another year's experience has

further confirmed the wisdom of those bankers who were instrumental in promoting the organization of the New York State Bankers' Association. Its usefulness in a high degree is recognized by all who have taken interest and part in its work. Only those have doubts who have not taken part in its work or joined in its meetings.

The group plan of organization has demonstrated its wisdom and there is no banker present at this meeting, I affirm, who has been a constant attendant at the meetings of his group, but will bear testimony to the benefits he has received in the acquaintances made, the information and suggestions received, that have been of value to him in his business as a bank officer. The association is stronger to-day in its life and power for usefulness than one year ago, and will be stronger one year hence than to-day.

Of the benefits to be derived from the group meeting acquaintanceship is the first, and if no other could accrue, would justify the fullest support by every banker in the group. But much greater benefits can be secured by a discussion of practical banking methods, the best safeguards in the matter of discounts, the necessary precautions to avert dangers from the swindler and a free exchange of opinion and reasons therefor, upon current financial questions. None of us are so wise that we know the best in all the range of bankers' duties and responsibilities; all will gain something new from such meetings, and return to their work feeling that their time and money have been well spent in attending them.

We earnestly urge that at the annual meeting to be held in the several groups this fall, that all banks in the group shall be represented and care exercised in selecting officers for the ensuing year, to secure those who will best unite all interests in the group, and be most zealous in arousing interest in the legitimate work to be done.

For the results in the groups during the last year, I refer you to the reports that will be made by the several chairmen of the same.

During the session of the Legislature a watchful care was exercised over all measures introduced affecting the banking interests of the State. No occasion arose in which it seemed to me wise to send out a communication to all banks touching pending bills.

Ledyard Cogswell and E. A. Groesbeck represented the association at Albany, and arrangements were made by which every bill in any way affecting banking interests were forwarded to me as soon as printed, or re-printed after amendments, so that I had a complete file at all times of measures pending, and the committee in charge were fully advised of the progress of a bill, and if adverse to the wishes of the bankers, whether there was such danger as to its passage as to call for united action by the bankers of the State. No such danger arose during the session, and a well-organized association is a powerful influence, to avert such dangers before they become threatening.

The committee on sound money literature, appointed at the last annual meeting, organized with Hon. A. B. Hepburn as chairman and Walter E. Frew as secretary, before leaving Niagara Falls. Soon thereafter a full meeting of the committee was held in New York and a list of sound money literature selected. Copies of the books and pamphlets selected were obtained by the secretary and forwarded to all banks in the State. The chairman and secretary rendered most efficient service upon this committee. The expenses necessarily incurred in the purchase of the literature being paid from the funds of the association. It is believed that much good was accomplished by the committee, again showing the wisdom of united action by the bankers of the State.

The evolution in social and business contact between interests pursuing the same line of business, has marked the decade fast drawing near its close. The bankers of this State have been behind other lines of business in this regard, and yet there is no class of business where mutual acquaintance, and the ties and confidence which arise from such acquaintanceship, is of greater value than those conducting the great and small banks and banking houses situated within the Empire State. The usefulness of this association is but in its infancy. A rapid evolution is taking place in our commercial and industrial enterprise, induced by rapid communication and transportation, improvement in machinery and motive power, and the aggregation of capital. With it, of necessity, comes an evolution in banking methods, new duties and responsibilities, new dangers as well as new opportunities.

The banker who confines his activities of brain and thought and his touch with men and things to the exacting duties of managing a bank, is most apt to grow into a life of ruts and become absorbed in making money, as though that was the end and goal of life itself. If the strength and acumen of his brain is wholly put forth in obtaining the greatest per cent. for the use of his money, it tends to corrode and waste away the noblest and most lovable qualities in his heart and life.

The banker who conceives his bank as standing wholly by itself, and the only bank for which he should have a care or thought, is not abreast with the new conditions that involve the business interests of all classes. He is interested in having every other bank in the land safe, sound and conducted on right methods and principles. He is interested in having the right man at the head of the State Banking Department, and right methods pursued in State

and national supervision. He is interested in currency questions and financial legislation. He is interested in all legislation affecting the business interests of the country. He is interested in personally knowing the bankers with whom he has bank dealings. If he secludes himself in his banking office six days in the week, and counts all his duties done when he has conducted safely the affairs of his bank upon methods he learned long years ago, he will soon find himself losing ground in the competitions under the changed conditions involving all business activities at the present time.

With the changed conditions banks occupy a very different place in the social body from what they did before the era of rapid communication, transportation and centralization in commercial and industrial activities. As related to the social body, they are no longer merely a place for the safe keeping of money, which persons are afraid to keep about their persons or homes, and a place to borrow money on good security when they have need. They are that now, but very much more at the same time.

Under the changed conditions there is evolving a social organism. All parts of the social body are being bound in such close and compact relations that no part can suffer injury without greater or less suffering and injury being entailed upon all parts and members of the social organism.

Money and credit are the very life-blood of the social organism. Their circulation has many analogies with the circulation of the human organism. As an accelerated, retarded or irregular circulation in the human body at once affects its health and strength, so the circulation of money and credit in the social organism at once affects the health and activity of the social body. Banks are the very heart in the circulation in the social organism. Their influence is greater in maintaining a steady circulation than any other single influence. But no single bank, or a half dozen, can withstand the effect of distrust and fear, when their stagnating power lays holds on the public mind; neither can they tide back the acceleration when undue confidence and hope possess the public mind, inducing speculation, booms and visionary concepts of values. It is important also beyond the power to express in words, not alone to banks, but to the whole social body, that banks should stand shoulder to shoulder at all times, and especially in times of an accelerated or retarded circulation. This united influence and power cannot be had without organization, and the organization cannot be formed when the dangers are upon the country. It must exist continually, and to its control and management the ablest, most thoroughly equipped by experience, the broadest and most liberal minded in their concepts of the relations banks sustain to the social organism, should be called.

We therefore earnestly urge every banker in this State to warmly give his support to the New York State Bankers' Association, not alone in the annual payment of dues, but in attendance upon group and annual meetings, so that every bank shall be represented at each meeting in its group and at the annual meeting. Such activity and co-operation would bring to pass beneficial results, not alone to the banking interests, but to industrial and commercial interests.

We fully appreciate that with many persons in the community a strong, compact and effective bankers' association would be looked upon with distrust, and regarded as another combination of capital, inimical to the welfare of the masses, but the rantings of demagogues or the statements of those who from want of experience or from unqualified ignorance cannot perceive the good results to accrue to the whole social body, should not deter from action those who do perceive and understand the good results to be attained.

During the year 1895 the question was considered in the council of administration of this association as to the desirability and feasibility of the formation of a United States bankers' association, that should be wholly representative in its membership, its annual meetings composed only of delegates chosen by the several State bankers' associations. It was thought to be desirable, and a committee was appointed to enter into correspondence with the proper officers of other State associations to ascertain their views in the matter. It was soon found that such a movement might seem to be hostile in its character to the American Bankers' Association; that there ought not to be two bankers' associations national in character. A sort of comprise was reached whereby the American Bankers' Association changed their organization so as to admit to a seat and vote in its annual meetings a certain number of delegates from each State bankers' association. The number from this State was fixed at nine, and this meeting should select nine delegates to attend the American Bankers' annual meeting in August at Detroit. The change also provided that the State association should be entitled to a certain representation upon the executive committee of the American Association.

This compromise was reached in the hope that in time the American Association would evolve into a purely representative body; that all members seated in its annual meetings, with voting power upon matters under consideration, should be delegates chosen at the annual meetings of the several State associations.

This question is now being agitated in other State associations. At the annual meeting of the Iowa Association in May last, the following resolution was adopted:

"*Resolved*, That the Secretary of the Iowa Bankers' Association be instructed to correspond with the proper officers of other bankers' associations, inviting them to join in a national association and to send two delegates to a preliminary meeting to be held within the next six months at such a time and place as may be agreed upon; and

Resolved, That the President shall appoint two delegates from this association to attend such preliminary meeting, and that their expenses shall be paid by the association."

In pursuance of this resolution I have received, as president, an invitation to this association to unite in the plan proposed. Deeming it a matter of importance to bring to pass a national association, representative in its character and deliberations, I bring the the matter before you for consideration.

At the time of our annual meeting one year ago, dark, angry, threatening clouds mantled the financial horizon of our land. There was great anxiety as to the outcome of the gathering storm. Dangers, not alone to the stability of our monetary standard, seemed to be uniting about the "Crown of Thorns and Cross of Gold," but dangers that threatened the financial honor of the nation and the stability of its institutions.

There is just cause for congratulation to-day, that the dangers were for the time averted, that patriotism was fanned to a glow so bright and strong that party affiliations and prejudice no longer bound or divided those who deeply desired the maintenance of our national honor in the court of nations. The result aroused new hope and faith in the future of the Republic.

To all familiar with the forces and influences that averted the threatening calamity, it is known that none were more potent and patriotic than those wielded by the banks and bankers of the State of New York, and especially by the city of New York, represented in this association.

The result of the election, however, was simply a declaration of choice between two financial policies, and the election of officers of Government. The vote of the people repealed no bad financial legislation upon our statute books, nor placed anything new upon them. The defects in our financial and currency system remain, that were there before the election. Until these defects have been removed, the laws under which they existed repealed or modified and better financial methods incorporated into our laws, the victory for sound money last November will not be complete.

The intelligent masses of our people are ready to think about the questions involved, to discuss them and arrive at conclusions, unbiased by party considerations, as never before in our history. It therefore seems wise that the campaign of education should continue. With the tariff questions settled for a time, all interests and classes agree the next question to be considered, until a conclusion is reached, in the form of law, relates to the currency and finance of the nation.

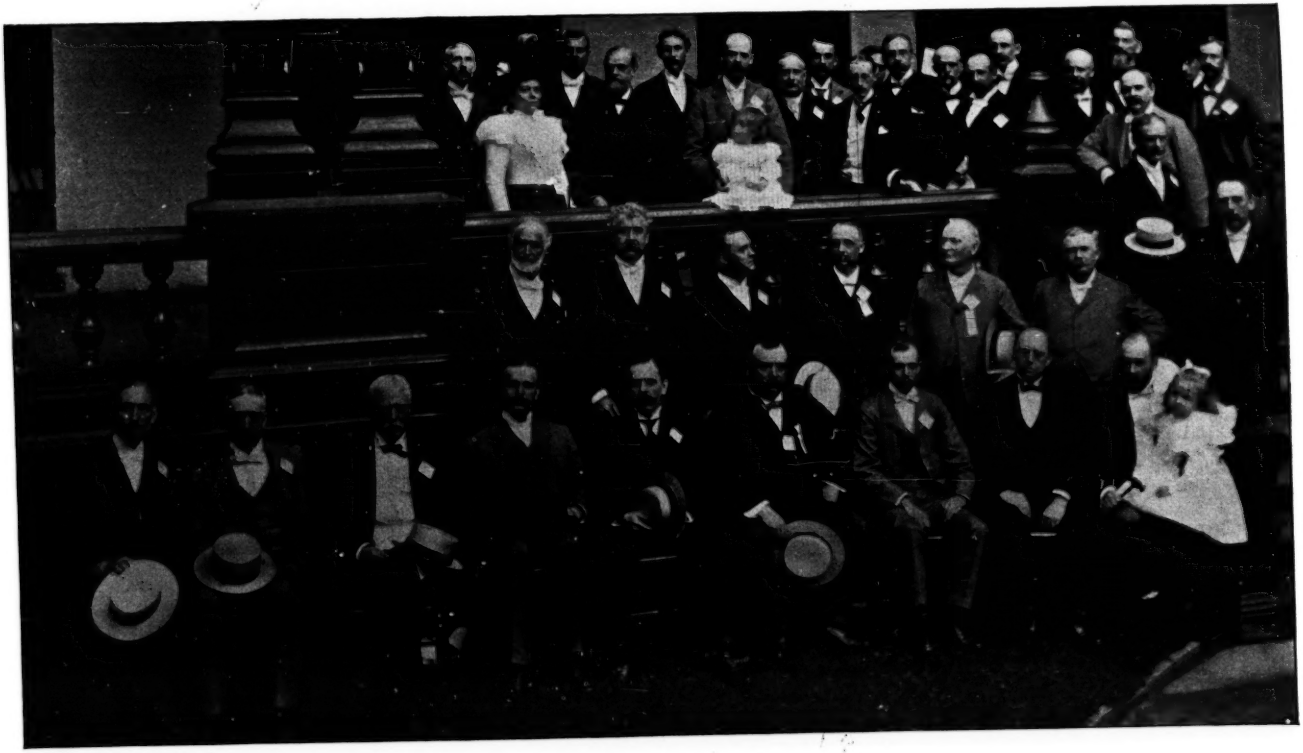
We believe the number of citizens in our land, who do not love its institutions, who are not patriotic in some degree, is very small. There is a large number who may not be willing to sink, in a measure, what they conceive to be their own personal advantage or gain, for the common good of the country and all its citizens. There are some demagogues, who for self-glory and aggrandizement proclaim doctrines and theories they little understand, because they feel it will catch and please the elements whom they wish to lead and control. The most dangerous and most despicable demagogue is the one who for personal ends seeks to inflame class prejudices, and array class against class in the field of economics or government. Among the masses whom they would lead are great numbers who are honest and patriotic, but who from want of experience or instruction, or from the hard conditions in which they have become entangled, are prone to feel that some other person or class, rather than themselves and their own acts, is responsible for their hard luck.

These in large measure can be reached and their love of country aroused by candid, honest statement and discussion. They cannot be reached by vituperation and what they conceive to be abuse. The campaign of education should be guided along lines that appeal to their reason, within the ranges of their experience and strongly to patriotism.

Bankers have a duty, an obligation resting upon them in this campaign of education. During the last campaign we often heard the sentiment expressed, that bankers had best keep in the background; that a powerful factor in the community would be opposed to the gold standard because the bankers wanted it. I have no sympathy with this sentiment or feeling. We are ourselves to blame if such a prejudice long continues in any considerable part of the country.

There is no class in our land better qualified to continue the discussion of financial questions, to continue the work of education, than bankers, and I feel that a duty devolves upon them in that direction, whenever suitable opportunity presents itself in their daily touch with those with whom they come in business contact.

I feel one of the things this association should promote, through special committee or



NEW YORK STATE BANKERS' ASSOCIATION.
SOME OF THE DELEGATES AND VISITORS.

specific direction to its council of administration, is the distribution of wise sound money literature. The great majority of the people in this land want the dollar of the Republic to be as good as the dollar of any other nation. They also want an honest dollar, and I believe they want the gold dollar as the unit of value, and if the time ever comes, that under the influence of political fervor or the stress of hard times, a majority shall deposit its vote for free coinage of silver 16 to 1, or some similar heresy, the friends of the gold standard will not be free from the sin of negligence in not giving that constant attention to the issue which its importance demands. The friends of sound money should not halt in their activity until the gold standard has been written in unequivocal language in the laws of the United States.

We believe before this association meets one year hence in its annual meeting, it will be.

Let not any of us feel that our public duty has been fully performed, until the whole civilised world knows that the United States will maintain its good name and financial honor, and pay its obligation in gold or its equivalent.

THE PRESIDENT: The next item of business is the appointment of committees, and I will announce the following committees:

Committee on Resolutions.—Group I, William C. Cornwell; Group II, W. J. Ashley; Group III, J. T. Sawyer; Group IV, George B. Sloan; Group V, W. I. Tabor; Group VI, William Kemp; Group VII, David Cromwell; Group VIII, H. B. Coombe; IX, A. B. Hepburn.

By matters which will come before you soon it will be apparent that there must be to some degree a revision of our by-laws. Therefore, I appoint as a committee on by-laws, to whom all matters of that sort will be referred: Bradford Rhodes, John A. Kennedy, G. R. Williams, F. B. Schenck, F. W. Barker.

Also an auditing committee, to whom the treasurer's report when read will be referred: F. C. Eddy, Peter J. Elting, Walter E. Frew.

The next order of business is the report of the treasurer, Mr. Van Inwegen.

REPORT OF THE TREASURER, CHARLES F. VAN INWEGEN.

Mr. President and Members of the New York State Bankers' Association, Ladies and Gentlemen—As Treasurer of the New York State Bankers' Association I respectfully report the following receipts and disbursements from July 18, 1896, to July 15, 1897:

Receipts.

Received, July 22, 1896, from A. D. Bissell, late treasurer	$344.13
Received from July 18, 1896, to July 15, 1897, from 413 banks and bankers for annual dues to October 1, 1897	4,925.00
Total receipts	$5,269.13

Disbursements.

From July 18, 1896, to July 15, 1897	4,084.19
Leaving cash on hand July 15, 1897	$1,184.94

The vouchers upon which the disbursements have been made, and the cash-book in which appears an itemized account of all receipts and disbursements have been delivered to the council of administration.

In accordance with the plan adopted by the council on May 26, 1897, the disbursements are classified as follows: That is, the disbursements made by the present treasurer have been classified into the expenses incurred during the year closing with the last convention, and the expenses incurred during the year closing with this convention so far as they have been paid.

Disbursements for the year ending with the last annual convention, paid by the present treasurer:

Group expenses	$167.73
Annual convention expense	1,294.01
Expenses of council of administration meetings	280.22
Other expenses and disbursements of general officers	146.91
Total expenses incurred during the present year closing with the last convention, but paid by the present treasurer	$1,818.86

Expenses incurred during the present year closing with this convention, so far as they have been paid by the present treasurer are as follows:

Group expenses	$273.59
Annual convention expenses	93.00
Expenses of publishing and distributing proceedings of annual convention held July 17 and 18, 1896	440.10
Expenses of council of administration meetings	642.92
Other expenses and disbursements connected with the work of the committee on sound money literature	481.22
Miscellaneous disbursements, expenses, &c	25.00
Total for expenses incurred for this present year and paid during the present year	$2,265.13

which with $1,818.86 incurred for the last year's expenses, but paid by the present treasurer, makes a total of the disbursements of the present treasurer, $4,084.19.

I would state, Mr. President, in reference to the classification, that it has been made by the treasurer according to the terms of the bill, so far as he could make a judgment upon the items upon the bill. Many of the bills were specified as to the purposes, but some few items were not very clearly specified, and the treasurer is obliged to exercise some judgment in the matter which may not have been exactly correct.

According to the records of the treasurer the membership of the association arranged by groups is as follows:

Group I	60	Group VI	50
Group II	27	Group VII	43
Group III	30	Group VIII	43
Group IV	39	Group IX	102
Group V	36		
Total			430

Respectfuly submitted,

CHAS. F. VAN INWEGEN, *Treasurer.*

[Dated] PORT JERVIS, N. Y., July 15, 1897.

THE PRESIDENT: The report of the treasurer will be referred to the auditing committee unless otherwise directed. The report of the secretary is next in order.

REPORT OF THE SECRETARY, JOHN A. KENNEDY.

Mr. President—I have no general report to make. I have here invitations from the Chamber of Commerce of Nashville, Tenn., the Mayor of Nashville, the Tennessee Centennial Exposition, the Governor of the State of Tennessee and a Committee of the Press of Nashville, inviting the members of this association to visit the exposition now being held there. (Referred to the committee on resolutions.)

In June I sent out to the banks in Group V the following letter:

BUFFALO, June 14, 1897.

To the officers of the ——— Bank:

Gentlemen—Owing to the difficulty in securing attendance at meetings of Group V, of the New York State Bankers' Association, it has been suggested that there be a re-arrangement of the group. All bankers appear to be deeply interested in the State association proper, and in order to make it convenient for them to attend group meetings, the following suggestions are submitted for your consideration:

First—If you desire to continue the group, as at present, I will be very glad to have you advise me of the fact and make such suggestions as in your judgment would be useful to the council of administration in determining the best course to pursue.

Second—If you prefer to join with another group, advise me with which group you desire to associate.

I will say that Group IV consists of the counties of Cayuga, Cortland, Onondaga, Oswego, Jefferson and Madison, and its place of meeting heretofore has been Syracuse. I am requested to state to the members of Group V desiring to join Group IV, that meetings will be held at Utica, Watertown or Syracuse as shall be decided at group meetings.

Another group, that it might be convenient for you to affiliate with would be Group VI, comprised of the counties of Franklin, Clinton, Essex, Warren, Saratoga, Washington, Schoharie, Albany, Greene, Rensselaer, Columbia, Schenectady. Group VI, I understand, meets at Albany or Troy. I presume there would be no objection to meeting at Utica and Saratoga as well.

If you desire to join Group IV or VI, or any other group, please advise me by return mail.

The annual meeting of the association will be held July 15th and 16th, at Saratoga, and

the council of administration is very desirous of having the questions above submitted settled at that time, as the by-laws must necessarily be amended if a reorganization is had.

Respectfully, JOHN A. KENNEDY, *Secretary*,

I have received replies from the banks in Group V. There are, I think, thirty-five banks in Group V. It is proposed to absorb Group V as follows:

Transferred to Group III.

Juliand Bank, Greene.
First National Bank, Oxford.

Transferred to Group IV.

National Bank, Waterville.
First National Bank, Utica.
Second National Bank, Utica.
A. D. Mather & Co.'s Bank, Utica.
Ogdensburg Bank, Ogdensburg.
Chenango National Bank, Norwich.
National Bank of Norwich, Norwich.
Herkimer Bank, Herkimer.
Bank of Gouverneur, Gouverneur.
People's Bank, Potsdam.
Farmers and Mechanics' Bank, Port Plains
First National Bank, Canton.
First National Bank, Walton.
First National Bank, Earlville.
First National Bank, Camden.
Farmers' National Bank, Rome.

Transferred to Group V.

Delaware National Bank, Delhi.
First National Bank, Bainbridge,
Manufacturers and Merchants' Bank, Gloversville.
Fulton County National Bank, Gloversville.
Johnstown Bank, Johnstown.
People's Bank, Johnstown.
Northville Bank, Northville.
Little Falls National Bank, Little Falls.
Farmers' National Bank, Amsterdam.
First National Bank, Cooperstown.
Second National Bank, Cooperstown.
Wilbur National Bank, Oneonta.
First National Bank, Franklin.
National Central Bank, Cherry Valley.
Utica City National Bank, Utica.
First National Bank, Morris.
Schenevus National Bank, Schenevus.
Canajoharie National Bank, Canajoharie.

That would necessitate a reduction of the number of groups by one, and would also necessitate a change of the by-laws in respect to there being eight chairmen of groups in the council of administration and five officers, and in one or two other particulars. One additional clause has been added, as follows:

"Banks or bankers joining the association shall select the group with which they desire to associate."

And then we provide that members of one group may be transferred into another upon application of the chairman of the group to which they belong and the approval of the chairman of the group to which they desire to be transferred. Notice of such transfer shall be filed with the secretary and the treasurer of the association.

J. R. VAN WAGENEN, Oxford: I do not know that it is necessary to bring the case of our bank before the full convention at this time. I think Mr. Kennedy was entirely justified in arbitrarily placing us in a group. I would not like to admit that Oxford was on a desert island where we could not get off or on in the course of twenty-four hours, but it happens to be so situated that the railroads are not convenient to the headquarters of either one of the groups. We can get there, however, and propose to spend the requisite time necessary for that purpose. I wrote to the secretary, as he will remember, that I was unable to make a choice in this case because of the peculiar conditions. Naturally we would go to Broome county and we would be most happy to go the group of which our honored president is the head. However, it so happens that it takes two nights to visit Elmira, and Elmira is in Broome county. Broome county is the extreme eastern end of the group, which is essentially a southern tier group, and we are immediately accessible to Utica. We are not to any other point. Syracuse is reasonably so. In view of the fact that our friends generally have selected Group III, which has hitherto held its meetings at Syracuse, I would ask the secretary if he will kindly place the First National Bank of Oxford, in his report, with Group IV, which consists now, as I understand, of Syracuse as well as Utica. Have not all the banks of Utica joined Group IV?

THE SECRETARY: All but one.

THE PRESIDENT: The committee will take that up, and place you where you want to be.

J. R. VAN WAGENEN: If that change could be made originally it will not require any further attention.

THE PRESIDENT: If there is no objection, all that part of the report of the Secretary relating to Group V and the changes that necessarily result in our by-laws will be referred to the committee on by-laws which has been appointed. There being no objection, it is so referred.

The next thing in order is the reports of the chairmen of the several groups. Group I is the first in order, A. J. Barnes of Buffalo, chairman.

REPORT OF GROUP I.—A. J. BARNES, *Chairman.*

Mr. President, Gentlemen, Members of the Association—As chairman of Group I, I have but little to report, as the spring meeting which should have been held was omitted and we attempted to have a joint meeting with Group II. The idea was thoroughly canvassed, and we found it could not be arranged on account of the early date of this convention. It was, therefore, decided to postpone the meeting until later in the season, or until after this convention.

We can report a thorough correspondence with all the banks throughout the group who are not members, and we have some very flattering letters from those people, and we look forward to the increased membership, especially by the time we hold our next meeting.

THE PRESIDENT: Group II, F. H. Hamlin, of Canandaigua, chairman.

REPORT OF GROUP II.—F. H. HAMLIN, *Chairman.*

Mr. President, and Members of the New York State Bankers' Association—At our last annual meeting our treasurer reported that Group II had no assets and no liabilities. Since that time under a changed administration we have just about held our own; and in view of the present financial condition of the world at large, we deem this a reasonably satisfactory showing.

We held our fall meeting at the Genesee Valley Club House in Rochester, on November 21. After a luncheon, supplied by our Rochester friends, we elected the following officers:

Chairman—F. H. Hamlin, of the Canadaigua National Bank.

Secretary and Treasurer—T. J. Swanton, of the Commercial Bank of Rochester.

Executive Committee—C. C. Woodworth, of Flour City National Bank of Rochester; R. W. Myers, of Commercial Bank of Rochester; N. H. Baker, of the Exchange National Bank of Seneca Falls; A. M. Holden, of the Bank of Honeyoe Falls; M. L. Baldwin, of Baldwin's Bank of Penn Yan.

After other business matters had been disposed of the members entered upon the consideration of the following topics:

(1) Corporations as borrowers; what they ought to expect from banks. What banks should exact from them.

(2) Points of difference between the individual and private banker.

(3) Ought not the work of collecting out-of-town paper be assumed by the customer rather than the bank.

Much interest was manifested and the discussion was continued in an informal way for a couple of hours.

Our summer meeting was held on June 5. We had a delightful meeting, which was made more so by the presence and the brief address of our President, Judge Dexter. Much of our time was devoted to social enjoyment, and if we solved no problems of interest to the banking world, we had a royal good time, which is the main purpose of our summer meeting.

During the year we have made an effort to extend our membership, and have reason to think that we shall be successful in so doing. We believe it of the utmost importance that our organization should be extended, and its influence broadened and strengthened. We are striving locally to effect that object. We are convinced that the bankers of the State must soon awake to the realization of the fact that an organized effort to perfect their interests is a necessity.

On the whole, Group II can be reported in a fairly prosperous condition.

THE PRESIDENT: Group III, G. R. Williams, of Ithaca, chairman.

REPORT OF GROUP III—G. R. WILLIAMS, *Chairman.*

Group III, with its seven counties in the southern and central part of the State, is a sort of little State by itself, in that its interests are much varied. It is an agricultural section, as you know. At its western end it comes in contact with the oil interests and the great capital needed for them. At its center it furnishes capital for mining and the handling of coal. At its east end, and in fact throughout all its little cities it furnishes a great deal of capital for manufacturing interests. Furthermore it has the happy faculty of taking care of its financial needs practically; of being self-contained in a way and self-supporting. Further, it has in hand considerable of inter-State trade and touches several of the larger export business enterprises of the country.

I have made this sort of preface to my report because it is out of such conditions that a strong, broad-minded thoughtful set of bankers come together and bring their problems into our bank meetings for discussion. Our meetings have for the year been meetings of great interest. They have been thoroughly practical meetings. They have been business meetings in every sense of the term. Therefore, they have been meetings which I think have been helpful in an educational way to the earnest men who have come together.

Nearly all the banks have sent representatives to the meetings. Nearly all the National banks are represented in our group meetings, although, as you notice, the membership is among the smallest of all the groups in the State. It is not because of inattention on the part of the bankers, but for the reason that we have not as large a number in the group as most of the bank groups contain.

We have also a very good number of the State bankers in the State in our group represented in our meetings and a very goodly sprinkling, too, of private banks—all bringing interest and adding quality to the helpfulness of the meetings we have held. We have had two meetings during the year—both held at Elmira, the most central and convenient place of meeting in our group.

I have referred to those living questions that have been brought into our meetings. I should not give a fair impression of these meetings if I left out the idea that questions of executive detail and of collection and endorsement, liability, payment of interest on deposits, questions of unjust taxation, and of forgeries and of burglaries and the like, had taken up all of our time. These are great questions and have had our thought, and it is along the line of them that bankers must wear out their lives in watchful care. A successful banker needs to be much more than a high class watch-dog. At our meetings have come up the larger questions of Government finance, of sound money, of the free coinage of silver, of needed protective legislation of banks, of a good examiner and how best to avoid the present perplexing variety in current notes. We have had a very able paper comparing the English and European currency with our own and their methods of managing the currency question. But we have known that we could not solve all of these questions, so we have felt the more free to consider them, to look fairly at their practical difficulties, thankful at last that we are privileged to be the good natured critic rather than the great mistake makers of the present financial age.

THE PRESIDENT: Group IV, F. C. Eddy, of Syracuse, chairman.

REPORT OF GROUP IV—F. C. EDDY, *Chairman.*

Mr. President, Ladies and Gentlemen—In behalf of Group IV I beg to report that meetings of the group have been held since the last annual meeting as follows:

On November 20 last, under the charge of my predecessor, Mr. Lamb, at which a most interesting address was given to the meeting by Mr. William Sherer, of the New York Clearing-House, on "The Clearing-House System," followed by a discussion as to the best method of preventing forgeries of bank paper, and an address on the "Liability of Stockholders of Banking Associations." The meeting was well attended, and the interesting programme evidently enjoyed by all present. At the conclusion of the meeting the election of officers was held, and an adjournment taken to the Yates Hotel for luncheon.

On April 19 the second meeting of the group was held, at which the questions "Currency Reform," "Abolishment of Restrictive Endorsements" and the "Relative Liabilities and Privileges of National and State Banks and Trust Companies" were discussed by the members. The programme adopted at this meeting omitted all formal papers either from members or speakers from abroad, and was consequently confined entirely to an informal discussion of topics by the members of the association. The local executive committee had some doubts as to the propriety of this course, feeling that possibly members of the group would not participate freely in the discussions, and the meeting would, therefore, lack in interest. I am most happy to report that the result was entirely different, the members engaging in the discussions actively and generally, resulting in a decidedly interesting meeting. Resolutions were passed recommending the appointment of a currency commission; also that it was the

sense of the meeting that no benefits had been derived from the present form of endorsement, and recommending the use of an endorsement coupling the restrictive form with a guarantee of endorsement or of amounts and payment. The group also extended an invitation to such members of Group V as might desire to join Group IV.

The good results which have been brought about by the work of the group during the year are largely in the educational and social lines, by way of bringing the members into active discussion and consequent study of the topics suggested, and perhaps locally by an agitation of the interest question in the city of Syracuse—which it is hoped will eventually bear fruit, together with a large fellowship and broader acquaintance among the members and in increase of membership.

If I am to follow the suggestion of the president in regard to recommendations to increase the benefits derived from the group organization it would be in the line in part suggested by the proceedings of the last meeting of the group—to bring the work of the groups more into the educational line both within its membership and through them to the public.

The banker with whatever experience, be it ten, twenty or fifty years, who has no more to learn has in my judgment reached his decline, and I know of no way in which the individual is likely to inform himself so thoroughly as in preparing to inform others, while at the same time all are by such participation able to obtain that multitude of counsellors which ensures safety. In addition to this, if I make the suggestion, it would seem that an educational campaign might be organized and carried on to advantage by the various groups on lines of general as well as technical interest to themselves.

For example, in a recent issue of a Philadelphia paper the inquiry of a western subscriber regarding the profits of National banks is answered by the statement that National banks may proceed as follows: Purchase one hundred thousand dollars four per cent. bonds, producing an annual income of four thousand dollars, receive bank notes to the amount of ninety thousand dollars, to be loaned at from six to ten per cent., producing an income of fifty-four hundred dollars or more, less a tax of one per cent. on ninety thousand dollars or eighty-five hundred dollars or more net profit on the operation—followed by a general tirade against National banks.

In such an association as this an explanation of the misstatement would be almost an insult, and yet we must admit that to many who receive this paper the false statement is accepted as one of the eternal verities, and we can imagine the man making the inquiry posing as the oracle of the town in the country store, producing this article as proof-positive, and so carrying on his propaganda against the banks.

If those who are interested in and know the facts do not systematically meet such misrepresentations with the statement of the truth, who is there to do so? The political campaign brings periodical discussion from the party standpoint, but aside from this there is no intelligent discussion of such subjects.

What organization is there or can there be in better shape to meet these and kindred topics of general interest so well as the group system of the New York State Bankers' Association?

My suggestion would therefore be to more and more make the work of the association educational by bringing each member into active participation, so that all may have the benefit of the best ideas and systems that obtain within the membership, both in the detail management of the bank, the methods of credits, and all technical matters, together with a recognition of the broader relations which the bank and its officers sustain to the public—the logical outcome of which would be the establishment of a bureau of information or education on financial and business subjects, working through the various groups, and so disseminating financial and economic truths through every portion of the State.

THE PRESIDENT: Group V is next in order, but we have had a report from the secretary in reference to that group, that it has not held any meetings during the year. So there is no necessity for calling upon Mr. D. A. Avery, of Utica, its chairman, for a new report in the matter.

I will therefore call upon Mr. J. H. De Ridder, of Saratoga, chairman of Group VI, for a report.

REPORT OF GROUP VI—J. H. DE RIDDER, *Chairman.*

Mr. President and Gentlemen of the New York State Bankers' Association—It is with pleasure that Group VI responds to this part of the programme. Four years ago in this very room, at the call of several gentlemen from different parts of the State, a number of bankers assembled and organized this association.

It was of course with some doubts and fears as to what might be the outcome of the undertaking, but with our first distinguished president, Mr. Cornwell, ably seconded by other

prominent bankers, who then, and since have rendered valuable service, proceeded to the work of organizing the State bankers' association it being the pioneer association adopting the group system.

How rapidly it has grown, and the success it has achieved are matters of record, and what was then its infancy has developed into an important factor and recognized position in the financial and commercial affairs of our State.

I offer the above as preliminary to the report of Group VI, showing the important part our group has taken in this association, also the fact, that the association has repeatedly honored us with its presence in three out of the four years of its existence. Surely, where could the bankers of the State find a better place for consultation and relaxation from care, than to partake of our health-giving waters, breathe the pure mountain air and enjoy the hospitality of our magnificent and spacious hotels?

Perhaps no other group stands so prominently among the groups of the association as VI. In point of area and number of counties we are the largest; as to number of banks, capital and surplus we stand third. The combined capital and surplus being nearly $12,000,000.

Within our bounds we have diversified industries, from the substantial and conservative business of the Capital City of the State, and the large and varied manufacturing interests of its near neighbor; we have all along its waterways immense water powers furnishing employment to a large number of people.

Within our group territory we have not only the manufacturing, mining and lumbering interests, but perhaps the best farming lands in the State, following the valleys of the Hudson and Mohawk, rich in their fertility and diversified in product, all contributing to the commercial interests of the State.

The period of depression through which we have passed has perhaps affected the industries of our group as keenly as any, but we feel that the victory for sound money, for honesty in the fulfilling of contracts, will inspire business enterprises with new courage and soon many of the manufacturing establishments that have been dormant for some time will teem with renewed and old-time vigor.

The banker in the past has given himself almost entirely to local interests and too little to the general good of all. When we have served the entire banking community well we have served our country well, for what other business comes so closely in touch with all commercial relations as banking? So the group system adopted by our association brings the banker in touch with his neighbor.

Since the last convention we have held one meeting in Albany, when officers were elected, able addresses given, followed by a collation enjoyed by all. There seems to be a lively interest in the group, uniform statements have been adopted, only one bank failure has occurred, all depositors having been paid in full, and I understand a good dividend for the stockholders is soon to follow. The number of banks that are members remains about as last year. Four banks have joined from other groups, none having withdrawn from ours.

Concluding, I would say it gives our group renewed pleasure to welcome again so distinguished a body of men as the bankers of the State of New York to its summer capital, with hope that your stay among us may be so enjoyable, so profitable and invigorating that pleasant remembrances will follow upon your return to your homes.

THE PRESIDENT: Group VII, Bradford Rhodes, of Mamaroneck, chairman.

REPORT OF GROUP VII—BRADFORD RHODES, *Chairman.*

Mr. President, Ladies and Gentlemen—It is always a pleasure to speak for Group VII, for while we lay no claim to superiority over our fellow bankers of other parts of this great State, there is a manifest disposition on the part of our membership to work enthusiastically and unitedly in promoting the purposes of this association.

Under the wise system of supervision prevailing in this State, banking is generally conducted on the safest lines developed by experience, and therefore any radical reforms in banking methods were not to be expected; but we believe that some beneficial changes have been made in this direction, and such other wise expedients will doubtless be adopted as occasion may require.

In the last national campaign, when the main issue to be determined was a financial one, and when the questions which usually divide political parties were swallowed up in the one great issue of maintaining public and private faith, and sticking to the simple principles of common honesty, Group VII spoke in no uncertain tones, and our reiterated declarations in favor of a stable currency had a most salutary effect in strengthening public sentiment and reinforcing the courage of weak-kneed politicians.

That was our position in the late memorable contest now passed into history, and that is where we stand to-day and always—firm as a rock against every proposal to degrade the money of the country, either by the free coinage of silver or the issue of inadequately

secured bank notes, or by any other scheme that is unsound in principle or in the nature of a doubtful experiment. Divide as we may on other questions, as custodians of the people's money we are united in the belief that the quality of that money should not be made the subject of legislative caprice or populistic whims, but that it must be kept as

"Constant as the Northern Star,
Of whose true fixed and resting quality
There is no fellow in the firmament."

The annual meeting of Group VII, held at the Murray Hill Hotel in New York city, on the fifth of last December, was especially notable, the attendance being but little short of one hundred, and the speakers including such distinguished gentlemen as Mayor William L. Strong, former Secretary of the Treasury Charles S. Fairchild, former Comptroller of the Currency William L. Trenholm, Hon. Horace White, and the eminent lawyer, William B. Hornblower, Esq., also the Chairman of the Banking and Currency Committee of the House of Representatives, Hon. Joseph H. Walker.

The addresses of these gentlemen who honored us with their presence, combined with the regular features of our programme, made this meeting not only a very pleasant one but highly beneficial from an educational and practical standpoint.

On that occasion it became my pleasing duty, on behalf of the group, to present a silver loving-cup to Mr. Samuel D. Coykendall as a memorial of his hospitality in entertaining the members of the group and their guests at the meeting held at the New Grand Hotel in the Catskills, June 26 and 27, 1896. The gift was accepted by Mr. Coykendall in an appropriate speech. The cup was of handsome design and suitably inscribed. This presentation signalized an event that will always be memorable in the annals of Group VII, and I am sure that all who were there will long cherish delightful recollections of Mr. Coykendall's generosity as a host.

At our last annual meeting Hon. Edward Elsworth, President of the Fallkill National Bank of Poughkeepsie, was elected chairman of the group, but unfortunately the state of his health prevented him from serving us in that capacity, and at a business meeting held on May 22 last the chairmanship was again bestowed upon the present incumbent.

While we have given due attention at our meetings to a discussion of all wise expedients for promoting the business interests of the banks in the group, it is also gratifying to state that the social features of our meetings have been productive of great good in bringing about a better acquaintance among the bankers of the several counties comprising the group. We feel that even from the standard of dollars and cents it is good for us to know one another, and that there is a wider and higher advantage in the friendships formed and the enlarged knowledge and broadened view that come from an interchange of ideas and experiences.

This year's report of the secretary shows no loss of members from Group VII, which now has the largest percentage of membership to the total number of banks in the territory of any group in the State outside of New York city. In the county of Westchester every bank is a member, and it is the earnest hope of the group that by diligent effort the few remaining banks in other counties that are not members may be added to our roll before the next annual convention.

The banking business in Group VII is conducted on a safe and conservative basis, and while our banks are not exceptional in this respect, it is a pleasing fact to record nevertheless.

We are not living on memories of the past, but are endeavoring in the best way we know how to meet the conditions and emergencies of the present, firmly convinced that the surest way to enduring progress and the only guaranty for the future is in keeping along the beaten paths where the guide-posts pointing toward Absolute Integrity and Wise Conservatism lead us through roads that converge at length into the broad highway of prosperity.

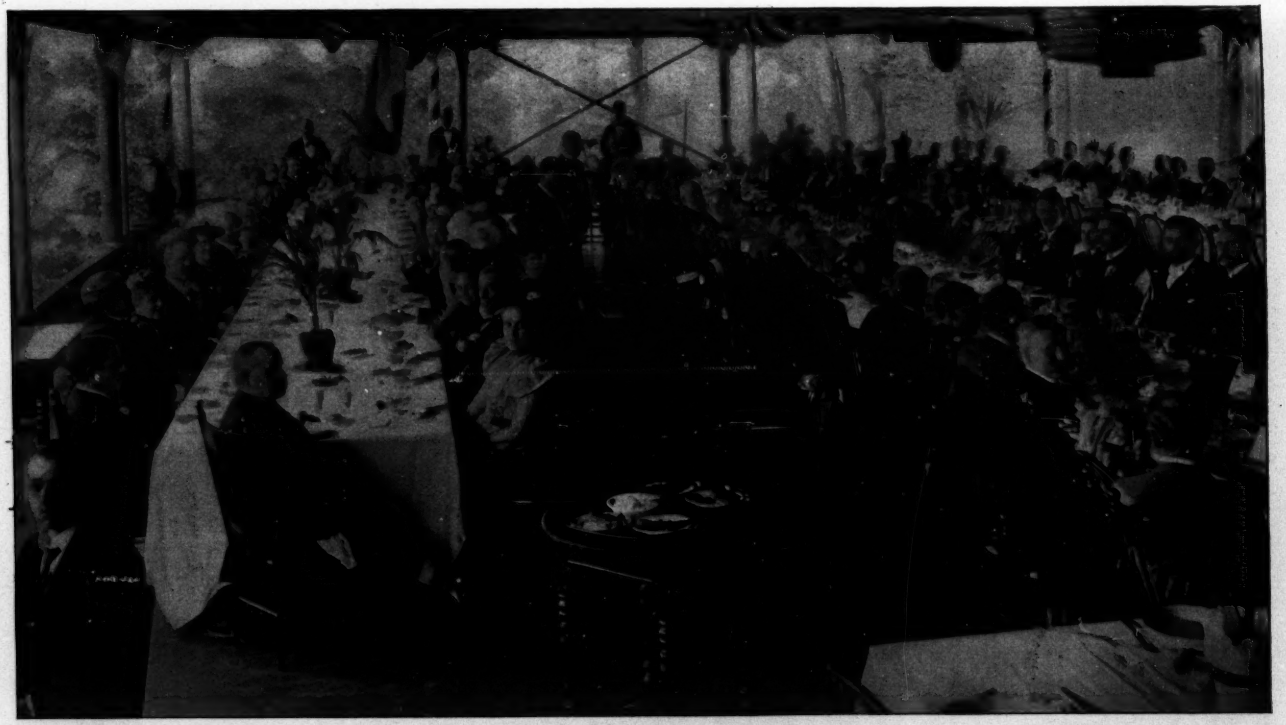
THE PRESIDENT: Group VIII—Walter E. Frew, of Long Island City, chairman.

REPORT OF GROUP VIII—WALTER E. FREW, *Chairman.*

Group VIII is in a flourishing condition. We have a membership of forty-three banks, there being only three banks that have not joined, but we hope to report at the next convention a full membership.

This is the first organization of the kind that has been in existence in the territory covered by our group, and judging by the interest taken in it by the banks, the necessity of such an organization is apparent.

The policy decided upon by the official board was to have no one present that was not an officer, director or delegate of one of our banks—commencing by a dinner and the business meeting following. The object of this policy was to make our meeting very informal, and we make them as nearly as possible a family gathering where we talk over in a friendly way



VIEW AT THE FISH DINNER, MOON'S HOTEL.
SARATOGA LAKE.

our local needs and methods to improve our business. The success of these meetings has proved the wisdom of this policy.

At these meetings discussions take place and gentlemen take part and offer suggestions on various subjects, who would not think of speaking in a formal meeting or if they were liable to be quoted in the public press the next day.

Our executive committee have been exceptionally conscientious in their duties; the gentlemen composing that committee have endeavored in every way possible to make our group organization of some practical benefit to our banks. They endeavored during the last session of the Legislature to have the laws relating to the taxation of bank stock so amended as to make them uniform with the laws relating to the taxation of trust company stock, but they were unsuccessful, although it was not any fault of theirs. They have zealously guarded the interest of our banks in every particular. A short time ago the assessors of a city located in our territory enormously increased the assessment of a number of our banks—the executive committee was immediately convened, called the group together in special session, a committee was appointed to confer with the assessors, which was done in a business-like manner, and all concessions asked for were granted. A similar committee was also appointed to look after the interests of the other banks of our group.

Our executive committee also did some good practical work by presenting to our group a plan of mutual protection against opening undesirable accounts, which the following resolution adopted by our group will explain:

Resolved, That all members of this group shall send to the secretary in writing the names, business and addresses of individuals, firms or corporations who come under the following head:

Class A.—Those who have caused banks to lose money by swindling.

Class B.—Those who have caused banks to lose money by false statements.

Class X.—Accounts closed for satisfactory reasons.

This list shall be preserved by the secretary and kept strictly confidential. When any member of the group desires to know if a party in which they are interested is on the list they inquire of the secretary who shall reply "Yes" or "No" and under what class they are listed.

This plan is a step in the right direction to prove in certain lines banks can work together as one bank without injury, and is proving the value of organization.

Our group held three regular and one special meeting during the year, where we listened with pleasure and profit to addresses by Hon. A. B. Hepburn, Murat Halstead, Ex-Mayor D. A. Boody and the Hon. Stephen M. Griswold on the "Currency Question." A paper on "Bank Examinations" by J. F. Ashley, Cashier of Union Bank, Brooklyn. Mr. Ashley having served for a number of years as bank examiner under Mr. Hepburn, was able to give us a valuable practical paper on this subject. A paper on "Bank Officers and Depositors," by Mr. H. Bernard Coombe, Cashier of People's Bank, Brooklyn, received the recognition it deserved by being published by our local press as well as in the "American Banker" and the BANKERS' MAGAZINE. A paper on "Western Investments" was presented by Samuel B. Smith, President of Far Rockaway Bank, Far Rockaway, L. I. Mr. Smith having had experience as a western as well as an eastern banker, his paper was especially interesting to us. This paper was also published by the daily and financial press. A paper on "What Can be Done to Increase the Usefulness of the New York State Bankers' Association and the Several Group Organizations," was presented by Mr. Douglass Conklin, Cashier of the Bank of Huntington, Huntington, L. I. In his paper Mr. Conklin urges the association to form a Bureau of Literature to supply the press with articles explaining the fallacies of the arguments of free silver enthusiasts. He recommends the association through the chairman of each group to see that each member of the association be supplied with bills introduced in the Legislature relating to banks as soon as possible after introduction so they can be discussed at group meetings and considered by the executive committee, and in the event of them becoming laws the officials of the various banks will be in possession of the new laws without having to wait until the session laws are published.

We believe our group is thoroughly organized and of value to our banks, but we also believe the State association can make it more valuable if they so choose. What I refer to is the subject of equalization of taxation of banks and trust companies. Group VIII has for three years given this subject careful and conscientious attention. The first year they worked with a simular committee of Group IX, and were nearly successful, the bill having passed the Senate by a vote of 21 ayes and 1 nay, but died in the Assembly; since then our gronp has worked alone.

This is an important subject for all the banks in this State to carefully consider, for it is only a question of time when you will have to meet the competition of trust companies as the banks of Group VIII are doing.

Our banks only ask to be placed on equal footing with their competitors, and I believe if this association will take hold of this matter, have the council of administration give their

undivided attention to having this wrong rectified, urge the nine group organizations to use all their moral power to help it, have the subject placed in the proper light before the public, through the press, showing how banks are taxed and how trust companies are taxed, also show the privileges trust companies have and the privileges banks have, and it will not be long before a measure will pass the Legislature that will enable us to compete with our competitors. If this is the only act done by the incoming administration it would do well—for one thing well done is better by far than a dozen half done. This subject is an important one to Group VIII, as the competition with trust companies in their group is probably more than any other group in the State. Unfortunately a number of directors in our banks are also trustees in trust companies and my own personal observations have compelled me to form the opinion that the efforts to adjust these matters are not urged with the vigor the occasion requires on account of this dual directorship, and it is only a question of a short time if these laws are not altered that a number of banks will liquidate as banks and organize as trust companies. This organization as an association of banks should do all in its power to remedy this evil so that this last step will not be necessary.

THE PRESIDENT: Group IX will now be heard from, F. B. Schenck, chairman.

REPORT OF GROUP IX—F. B. SCHENCK, *Chairman.*

On behalf of the executive committee of Group IX, I beg to report that the present membership of the group numbers 102. There are only ten banks eligible to membership in the group that are not now members of this association. Each of these banks has been written to, and several of them have been personally solicited to renew their membership or join the association.

The second and principal meeting of the group during the present year was of a purely social character, and in that respect the gathering was, we think, unique in the history of the banks of New York city. A subscription dinner at the Hotel Manhattan, New York city, was attended by representatives from nearly all the banks of the city, and there were also present the Mayor of the City, the Comptroller of the Currency and other distinguished guests. The dinner was pronounced to be such a success that it was proposed to have the occasion repeated annually.

The New York Clearing-House Association unites all the banks of the City of New York, in their business relations, and hence in a large measure, of necessity, supplants what is intended to be the work of the bankers' association within the other groups. We believe, however, that the banks of New York, as a group, will be drawn into closer relations, from year to year, through their membership in the State Bankers' Association, and that important benefits may arise in the future from such relations.

The executive committee of Group IX held several meetings to consider applications for membership by banking houses which were received subsequent to the passage of the bill known as the Sullivan Banking Law. That bill failed to become a law for lack of the Governor's signature, but the applications for membership which were received all had to be considered, notwithstanding. As they came largely from members of the New York Stock Exchange, which is a very numerous body, it was decided by the executive commitee of Group IX, that it might not be well to admit to membership in the association those houses which were supposed to be doing mainly a stock brokerage business, and therefore all such applicants were denied admission to the association. On the other hand, about a dozen banking houses who were believed to be doing a regular deposit banking and foreign business were admitted to the association.

In view of the fact that the Sullivan Banking Bill may be revived at the next session of the Legislature, and in which event there will doubtless be presented a much larger number of applications from bankers and brokers, it may be desirable for this convention to express an opinion as to the desirability of admitting to membership in the association others than banks and those individuals and firms which are supposed to be doing a regular discount and deposit banking business. This question is likely to be most pressing in New York city, and therefore the executive committee of Group IX will be glad to have a ruling on the subject. I suggest that the subject be referred to the committee on resolutions.

THE PRESIDENT: If there is no objection, that portion of the report of Group IX is referred to the committee on resolutions.

The next order of business is the nomination of officers for the ensuing year. Heretofore it has been the custom to take an informal ballot, without having any nominations made, but it was felt that that did not give full opportunity to each group to present a candidate, if they had one, and so at our last annual meeting a resolution was adopted providing that at this meeting the groups would be called

in their order and if they have a candidate to present for any office they might name him. Instead of beginning with Group I, it has been suggested that we begin at the other end. Therefore, the Chair will call upon Group IX.

JAMES G. CANNON: You have omitted one item on the programme, Mr. President—"Presentation of resolutions."

THE PRESIDENT: Yes; that is so. Are there any resolutions to be presented?

MR. CANNON: I desire to present the following resolution:

"*Resolved*, That the communication of the Iowa State Bankers' Association and such parts of the president's annual message as may pertain thereto be referred to a special committee of three, who shall report upon the same to this convention."

Mr. Cannon's resolution was adopted.

The president appointed as the committee, James G. Cannon, of New York; Anthony Lamb, of Syracuse, and F. B. Schenck, of New York.

THE PRESIDENT: The presentation of resolutions is still in order. If there are none further we will pass to the order of business about which I was speaking a moment ago, and I will call upon Group IX.

NOMINATION OF OFFICERS.

F. B. SCHENCK: Mr. President—I had expected that the other eight groups would be called upon first, but Group IX is ready with a nomination. I have been instructed by our executive committee to present the name of a gentleman whom we think will do honor to this association, who is well calculated to preside over its gatherings, who represents the largest bank in the largest city in the State, and whom we all know as an affable and delightful gentleman. I therefore take pleasure in placing in nomination for president of this association Hon. A. B. Hepburn, of New York.

The President: Group VIII.

S. M. GRISWOLD: On behalf of Group VIII, I take pleasure in seconding the nomination of Mr. Hepburn. In doing so I desire to say that it is extremely gratifying to me to have the opportunity to discharge an obligation which I feel that I am under. I do not forget that one year ago at Niagara Falls Mr. Hepburn paid me a very pleasing compliment when I was nominated as your vice-president—an office, by the way, that is full of honor and nothing to do. I believe the election of Mr. Hepburn as president will strengthen the influence, promote the efficiency, and reflect credit and honor upon this association.

The President: Group VII.

C. A. PUGSLEY, of Peekskill: Mr. President and Gentlemen—I have listened with pleasure to the gentlemen who have placed in nomination Mr. Hepburn, and I heartily concur in all that has been so admirably said in regard to him. He is certainly worthy of any honor in our power to confer.

But, gentlemen, after listening to what has been so eloquently said on the other side of the hall, I feel somewhat like the Irishman who had imbibed a little too freely, and was going home late one night, and who had to cling to a lamp-post for support, and a friend passing on the other side of the street called out: "Pat, come over here." "Come over here," said Pat. "Begorra, I 've got all I can do to stay where I am."

Gentlemen, a little pleasant rivalry in the selection of officers for our association is, to my mind, very profitable. I think it will be unfortunate for this association when its officers are slated and selected in advance.

Gentlemen, Group VII desires to present for the office of president of this association, a man most thoroughly equipped for it, a man who is a host in himself; a man successful whether in the editor's chair, in legislative halls, as bank President, as farmer, or as chairman of Group VII. A man who is in close touch with the banking interests of this State; and not only of this State, but in close touch with the banking interests of our whole country; a man whose voice has frequently been heard in behalf of sound currency and currency reform; and last, but not least, a man who has gathered about him as chairman of Group VII more ladies than any other chairman in the State. He invites them, and they come, whether to the grand and restful heights of the Catskill Mountains or into the busy hum of the imperial city of the Empire State, to grace and lend an additional charm to the meetings of Group VII; and, gentlemen, if to-morrow afternoon on the floor of this convention the ladies could have a vote I am sure our candidate would be elected.

I have the honor to present to you for President of this association the name of the Hon. Bradford Rhodes.

JOHN B. DUTCHER, of Pawling: Mr. President—I had expected to make a little speech in

seconding the nomination of Mr. Rhodes, but my friend from Peekskill has stolen all of my speech except the story about Pat and the lamp-post; I had nothing to do with that. Consequently, I do not know that I can offer anything in behalf of Mr. Rhodes in addition to what Mr. Pugsley has said. Peekskill is noted for appropriating everything that is to be said on occasions of this kind. I see you all recollect another distinguished citizen of Peekskill who talks whenever he gets a chance, and after he gets through there is nothing left for anybody to say. So it is with my friend, Pugsley. I second the nomination of Mr. Rhodes.

C. F. VAN INWEGEN, of Port Jervis: As a member of Group VII it gives me pleasure to add a word of testimony to what has already been said on behalf of Mr. Rhodes.

It has been my good fortune to meet Mr. Rhodes at every session of this association since its organization, and at practically every session of Group VII, and during the past year at every session of the council of administration. I have always found him deeply interested in the purposes and aims of the association, and manifesting a painstaking and untiring zeal in his efforts to advance those purposes. I have always found him a valuable member of our group, and he has been a very successful chairman of the group, and I feel assured that he would make an excellent president of this association. I very heartily second his nomination.

BRADFORD RHODES, of Mamaroneck: Mr. President and Gentlemen—I belong to Group VII, am proud of it, and rise to second a nomination other than the last name mentioned. I want to arrest myself. I can do that. According to the newspapers, a constable up in my town arrested himself the other day. Standing here in the presence of my friends from Group VII, and surely from other parts of the State as well, I can say from my heart that I verily believe the interests of this association would be best subserved by electing to the office of president the Hon. A. Barton Hepburn. And for this reason, in addition to what has been stated by Mr. Schenck: the City of New York, now the peerless city of the Western Hemisphere, will certainly play an important part in the coming year in shaping the finances of our nation, and I think that the ex-Comptroller of the currency, the Vice-President of the commercial bank having the largest deposit line of any in the United States, possesses qualities which admirably fit him to direct the affairs of the association during the ensuing year. Therefore, gentlemen of Group VII and friends, I beg to decline the proffered honor and to most heartily second the nomination of the Hon. A. B. Hepburn.

There is just one more reason, and I think it very pertinent. According to the last published report the New York city group had in this association eighty-one per cent. of its eligible members, and our group had but eighty per cent. We are one per cent. below New York city and, therefore, we are not entitled to the honor. Group IX took in twenty-one private bankers a short time ago, but that does not change the percentage, as heretofore private bankers have not been counted in the eligible list. I believe, however, that private bankers transacting a general deposit and discount business should be admitted to membership, but none others. Private bankers don't grow in our group, or haven't as yet. On the basis of State and National banks only, by next year we will try to increase the percentage over New York. Therefore, I thank you, gentlemen, for this expression of your confidence, and decline in Mr. Hepburn's favor.

THE PRESIDENT: Group VI.

WILLIAM KEMP, of Troy: Mr. President—I was delighted with the remarks made about my friend, Mr. Rhodes, for I allow no man to place me second in admiration for the valuable services he has rendered to this association. But, sir, a large number of the members of Group VI have requested me as their spokesman, having in view the interests of the association, to second the nomination of Hon. A. B. Hepburn, believing that the interests of the association will be advanced by his election to the presidency.

THE PRESIDENT: Group V.

W. I. TABER, of Herkimer: Mr. President and Gentlemen of the Convention—While New York city claims the nomination for the office of president, I feel that Group V may be pardoned if it takes a deep interest in the success of the Hon. A. B. Hepburn, as it was from that group he started out upon his career, and in behalf of GroupV I, have the pleasure of seconding the nomination of A. B. Hepburn for president.

THE PRESIDENT: Group IV.

GEORGE B. SLOAN, of Oswego: This association in its past sessions as well as now, seems to possess the happy faculty of settling all differences wi hout any possibility of friction, or leaving any unpleasant feeling behind. I think I can say with as much sincerity as any member of this body can, that I heartily approve of the partiality that has been shown here to the candidacy of the Hon. A. B. Hepburn, as the next president of the association. I may say that his career in the field of legislation, in the field of finance, as a banker, as a man who in a very short space of time has made a reputation in the great money center of this country, of which any man of much longer experience might well be proud, is a gentleman preëminently fitted to take the presidency of this association, and the association is very fortunate in hav-

ing in its membership a gentleman of that character, because while it is an honor to Mr. Hepburn to be the president of this association, his presidency will also bring honor to the association.

But in paying this tribute to Mr. Hepburn, I want to say that from a long personal acquaintance with Mr. Rhodes, I think that he possesses the qualities that most eminently fit him to be the presiding officer of the association, and if he had been the choice of this convention—in other words, if the convention had had the opportunity to make a choice between him and the gentleman whose name is now the only one before it, no mistake could have been made, no regret could have followed the decision, whichever way it pointed. I may go so far, I think, as to say indeed, that as it seems to me, the convention owes a debt of gratitude to Mr. Rhodes for his generosity on this occasion, in doing that which it has appeared to him will make such unanimity as could not have been obtained in making a choice had he taken a different course, and I feel, therefore, that we are in his debt for relieving some of its members, possibly many of them, from embarrassment with which they would have found themselves confronted, had they been obliged to vote for one in opposition to the other; to take a position with those two gentlemen standing before this convention as rival candidates. We ought to feel very kindly to Mr. Rhodes for what he has done in that regard, to promote a feeling of unity in this body, which is so important and valuable for its prosperity and growth. Of course, there is no choice now, except to vote for Mr. Hepburn, and I for one, as a member of Group IV, and so far as I have heard expressions of opinion from other members of that group, acting in accord, I believe, with a unanimous sentiment there prevailing, shall most heartily, and with a belief that we are advancing the interests of this association, cast my vote in favor of the election of the Hon. A. B. Hepburn, as its next president.

THE PRESIDENT: Group III.

G. R. WILLIAMS, of Ithaca: The gentlemen present are such good judges of endorsements that I think the paper is already good, Mr. President, without any further endorsements.

MR. PRESIDENT: Group II.

F. H. HAMLIN, of Canandaigua: On behalf of Group II, I second the nomination of the Hon. A. B. Hepburn.

THE PRESIDENT: Now we have cornered Group I at last.

WILLIAM C. CORNWELL, of Buffalo: Rising on behalf of Group I to second the nomination of our friend, Mr. Hepburn, we can do little else than repeat in our tribute to him what has already been said. We say of him that he is eminently fitted by education from his youth up to fill this position. His capacity includes great executive ability, high intelligence, a thorough acquaintance with the banking business, and a charming literary ability. In addition, he is a mild mannered man, gentle, simple, modest and unselfish—a friend to every one of you, and every one of you, I know, is a friend to him.

THE PRESIDENT: Nominations for president are closed, and there having been only one name presented—that is one of them that was presented having been withdrawn by the nominee declining to stand—of course it is unnecessary to take an informal ballot to determine who the nominee shall be when we come to the nomination of officers at our last session.

THE PRESIDENT: The next officer to be nominated is vice-president.

LEDYARD COGSWELL, of Albany: In behalf of old Albany I would nominate Mr. Edward A. Groesbeck, of the National Commercial Bank, for vice-president of this association.

C. F. VAN INWEGEN, of Port Jervis: In behalf of Group VII, I second the nomination of Mr. E. A. Groesbeck for vice-president.

F. B. SCHENCK, of New York: In behalf of Group IX, also endorse the nomination of Mr. Groesbeck.

THE PRESIDENT: There being only one name presented for the office of vice-president an informal ballot is not necessary.

The next officer to be nominated is treasurer, and I will call upon Group I to make a nomination.

A. J. BARNES, of Buffalo: Group I nominates for treasurer F. W. Barker, of Syracuse.

ANTHONY LAMB, of Syracuse (Group IV): In behalf of Group IV, I wish to second the nomination of F. W. Barker. Mr. Barker has been connected with this association since its organization; in fact he was one of the promoters of it, and he has at all times given it his attention and has done a great deal of work towards its development. I very heartily second his nomination.

W. G. Schermerhorn, of Schenectady, in behalf of Group VI; Walter I. Frew, of Long Island City, Group VIII, and F. B. Schenck, of New York, in behalf of Group IX, also seconded the nomination of Mr. Barker.

THE PRESIDENT: Only one name has been presented for treasurer, so no informal ballot is needed. Nominations for secretary are now in order.

A. J. BARNES, of Buffalo (Group I): I nominate W. I. Taber, of Herkimer, for secretary.

D. A. AVERY, of Utica (Group V): I second the nomination of Mr. Taber. I think he would make a very efficient secretary.

J. H. DEREDDER, of Saratoga (Group VI): I take pleasure in seconding the nomination of Mr. Taber.

S. M. GRISWOLD, of Brooklyn (Group VIII): I desire to place in nomination for the office of secretary of this association Walter E. Frew, President of the Queens County Bank, one of the most efficient men we have in our group, and a man who would make an excellent secretary for this association, without disparaging at all the remarks that have been made as to the fitness of the other gentleman who has been named.

THE PRESIDENT: There being only two names presented, there is no necessity for an informal ballot at this time, as those will be the two names submitted for the formal ballot when we come to the election to-morrow; namely, W. I. Taber, of Herkimer, and Walter E. Frew, of Long Island City.

AFTERNOON SESSION.

THE PRESIDENT: We are to listen to a paper this afternoon on the "History of the Banking Systems of New York and the Banking Department," by the Hon. F. D. Kilburn, Superintendent Banking Department.

[Mr. Kilburn's paper is reserved for publication in a subsequent number.]

THE PRESIDENT: If we adjourn at four o'clock, the hour now fixed for our adjournment, we shall have time for only one more paper this afternoon, and that will be an address entitled, "A Phase of Currency Reform," by Mr. F. E. Lyford, President First National Bank, Waverly.

A PHASE OF CURRENCY REFORM—ADDRESS BY F. E. LYFORD, PRESIDENT FIRST NATIONAL BANK, WAVERLY, N. Y.

In business, as well as in the other affairs of life, we follow beaten paths, and not till something occurs that meets our unqualified disapproval, do we realize that we have been drifting along, doing more work than necessary and not seeing dangers that could easily be avoided.

At the first meeting of our group held after the beauties of the late issue of silver bills had begun to pall upon our taste, and these works of art had failed to find a champion – no one having a good word to say for this addition to the already too numerous varieties of notes in circulation—I asked if something could not be done to prevent the recurrence of such an infliction, and the number of designs of notes in use be reduced instead of being added to; also, if we could not take some steps to induce the Government to make some radical changes in the present method of every few years issuing something new in the way of currency for the public to study and become familiar with.

I was encouraged by the remark of one of our members, that these bills very much resembled tomato-can labels, and the thought that this kind of paper might become current, possibly legal tender, may have been the reason for the president of this association asking me to present this "Phase of Currency Reform" to you for consideration.

At first thought this subject may not seem of much importance, but I trust you will give it due consideration and be able to make some suggestions that will result in the improvement of our currency system in this particular line. Discussion of the currency question has been very extended of late; but as often happens theories have received so much attention that some of the practical sides of the subject have not been touched upon.

"It is a condition that confronts us, not a theory," and we certainly ought to be willing to do or say something that will bring about a change for the better, if possible.

Wishing to find out what the policy of the Government was, I wrote to the Treasury Department and was informed "that some of the changes have been made because of the discovery of dangerous counterfeits, others because the designs have been proved unsatisfactory when tested by the circulation of the notes;" and the letter further stated that "the matter lies within the discretion of the Secretary of the Treasury and each successive Treasurer has, no doubt, had satisfactory reasons for whatever action he may have taken."

By this you will see why so many specimens of the designer's art have been sent out from time to time; also why we were threatened with a portrait gallery of deceased statesmen as currency at one time.

It also shows that probably the Secretaries of the Treasury have drifted along the road followed by their predecessors, and as neither the bankers nor business men have entered any protest, they have seen no reason for them to bother with making any changes. This may

not be just to these men, but the present condition of our currency points to no other conclusion.

Banks are not using the forms or methods in vogue thirty years ago, but are looking for something all the time that will simplify their work and remove as far as possible all dangers that they are subject to in any branch of the business.

The Government evidently has not pursued this course in managing this department of the Treasury, if we are to judge by the results; and we can only think that the Secretaries of the Treasury have not been men of practical experience in the details of business, or this question might have arisen in their minds, even if the public were in the habit of accepting whatever they might do without any objection or criticism.

It certainly looks as if the subject had not been very thoroughly studied by them, or they would have seen that improvements could be made very easily and the people better served.

It may not please those inclined toward "jingoism" to look at the methods pursued in some of the older countries, but we should always be willing to secure information from any source, and for the sake of comparison and study, a statement of what some of them have been and are doing cannot help but be of value to us in considering this matter.

In Germany, the Reischbank issues six different denominations of notes, each having a separate design as well as color and size. These have been changed but once and then the first were withdrawn from circulation as the new ones were issued. There are only eight banks of issue in Germany at the present time, each using the same number of denominations as the Reischbank, but different designs from it and from each other.

The Bank of France has the exclusive right to issue notes in that country and uses four denominations, each of different design and size, but of the same color.

In Austria the Government issues three denominations of notes, each of different design and size, but of the same color.

The *Oesterreichisch Ungarische* is the only bank of issue and follows the same plan as the Government, using the three denominations, each of different design and size, but of the same color.

You are all more or less conversant with the Bank of England notes, which are very simple in design and are considered quite safe from imitation, because of the plan followed of redeeming every note when it is returned to the Bank, even if it is on the same day.

The Canadian system of banking has been very favorably spoken of lately, but their circulating notes are subject to the same criticism as ours, that they have too many designs, although they do not have as many counterfeits as we do in proportion to the number of designs in use. Conditions and methods of handling all lines of business in these countries are very different from ours, and from what we know of the people, it is safe to say that they are much more inclined to stick to the old ways than we are, so that we should hardly feel like adopting their ideas; but by inquiry, comparison and study, we could find the good points of their systems as well as ours, and out of the knowledge gained something might be evolved that would be a great improvement over any or all plans now in operation.

The new designs of notes have been issued at such intervals that we have not realized to what extent our currency was being expanded in this line. It is possible that some of you know how large a number of designs have been put into circulation, but if you do you are guilty of a sin of omission in not calling a halt long before this. It is more probable that you have done as others have, taken the bills as they came and asked no questions.

The Government has issued notes as follows: Of one-dollar bills, five designs; of twos, five; of fives, six; of tens, six; of twenties, eight; of fifties, six; of one-hundreds, six; of five-hundred, eight; of one-thousands, eight; of five-thousands, five; of ten-thousands, five—a total of sixty-eight, and when you add to this the National bank notes (which we consider as alike, although they differ to some extent) you have seventy-five designs of notes that have been put into circulation in a little over thirty years.

Some of the notes first issued and the larger denominations cannot be counted as in use, but you all know that there are a large number that we must be very familiar with, to feel safe in handling them.

In the larger banks, where the currency is handled only by those who can be called experts, this may not seem a serious objection to the present system; but in the smaller institutions it assumes another aspect, and the general public should be considered also, for we certainly do not wish the present policy followed till every business man has to wear a bill reporter, as we are told they used to do in the good old days of State banking. Are we not approaching that condition of affairs?

In addition to the genuine notes there are the counterfeits to be looked after. There are listed one hundred and twenty-nine counterfeits of the National bank bills and one hundred and fifteen of the Treasury notes, and as there are only two of these of larger denominations than the one-hundred-dollar bills, we have over two hundred and forty of these pests to keep up a passing acquaintance with.

Add these to the number of genuine notes and it creates a total that gives some importance to the subject, does it not? When you think of this large number of bills to be kept track of, is it not wonderful that no more bad notes are in circulation, and is it not strange that no one has "kicked" long before this and asked to be relieved from the burden of having to become so familiar with them, that they could be sure that they were not using anything but genuine notes. One of our customers says that he never has been bothered with counterfeits, as he has always been able to pass out anything he took in.

Possibly some banks do the same, but can they be very much blamed? We cannot all grow up with the currency, and a new hand at the business is surely very badly handicapped.

The fact that the list of counterfeits of National bank notes is larger than that of the Government issue, would make it seem as if the larger number of designs was a safeguard in this particular; but upon studying the list it does not show this to be the case, for the National bank notes were more largely imitated at first, but of late years the others have been the ones the counterfeiters have been working at largely. I find that the Chief of the Secret Service Division of the Treasury comes to this conclusion; that the diversity of designs is the great fault of the present system, for he says in his report for 1896: "The counterfeiting of paper money decreased materially during the past year, as evidenced by a comparison of the list of new counterfeits with that of former years; this can, in part, be accounted for by the large increase in raised or altered notes found in circulation, some of which are most skillfully executed. The reasons for this are to me apparent, in that the latter industry is more lucrative to the criminal and more difficult of detection by the public, the constant changing of designs for the currency making it almost impossible to become thoroughly familiar therewith."

It seems as if this report answers any argument that could be advanced in favor of continuing the present system, for certainly a criticism made by a man who is studying the question from this point of view, and as thoroughly as he has to, should have great weight.

The changing of the designs and milling of our subsidiary coin may not have been particularly dangerous, but it is and always will be an aggravation to have to handle different sizes of coin. This action showed that the Department was following out its policy very consistently.

The subject is now before you for consideration and discussion, and the questions are: Is the present system of issuing notes for circulation faulty and dangerous? If so, what steps can be taken toward correcting the evils recognized; and shall this association do anything to try and bring about the reform needed?

The withdrawal of the late issue of silver certificates is certainly a partial answer to the first query, and it is doubtful if any argument can be brought forward in favor of the present method that this action will not fully refute.

With some of the former Secretaries of the Treasury the prospects of accomplishing much in the way of reform in this matter might not have been very encouraging, but with such a man as Mr. Gage, thoroughly in touch with all of the practical business questions confronting the people to-day, quick to perceive faults or merits in almost any proposition submitted to him, certainly there could be no more favorable time to take up this question with the Department, with the chances so much in favor of its receiving careful and thorough investigation, and nothing could be done that would more surely secure for this "Phase of Currency Reform" proper consideration than a resolution passed by the New York State Bankers' Association, requesting the Secretary of the Treasury to look into the subject at his earliest convenience and give to the business men of the country the benefits of his conclusions after so doing.

THE PRESIDENT: This paper is before you, gentlemen, for any discussion or any question that may be in the minds of anyone in reference to the subjects considered in it.

E. O. ELDRIDGE: Mr. President—I believe this body will agree with me that Mr. Lyford's suggestions are worthy of more than passing consideration. Therefore, if it be in order, I move that the committee on resolutions be instructed to prepare a resolution to be transmitted by the secretary of this association with a copy of Mr. Lyford's paper to the Secretary of the Treasury commending the same to his respectful attention.

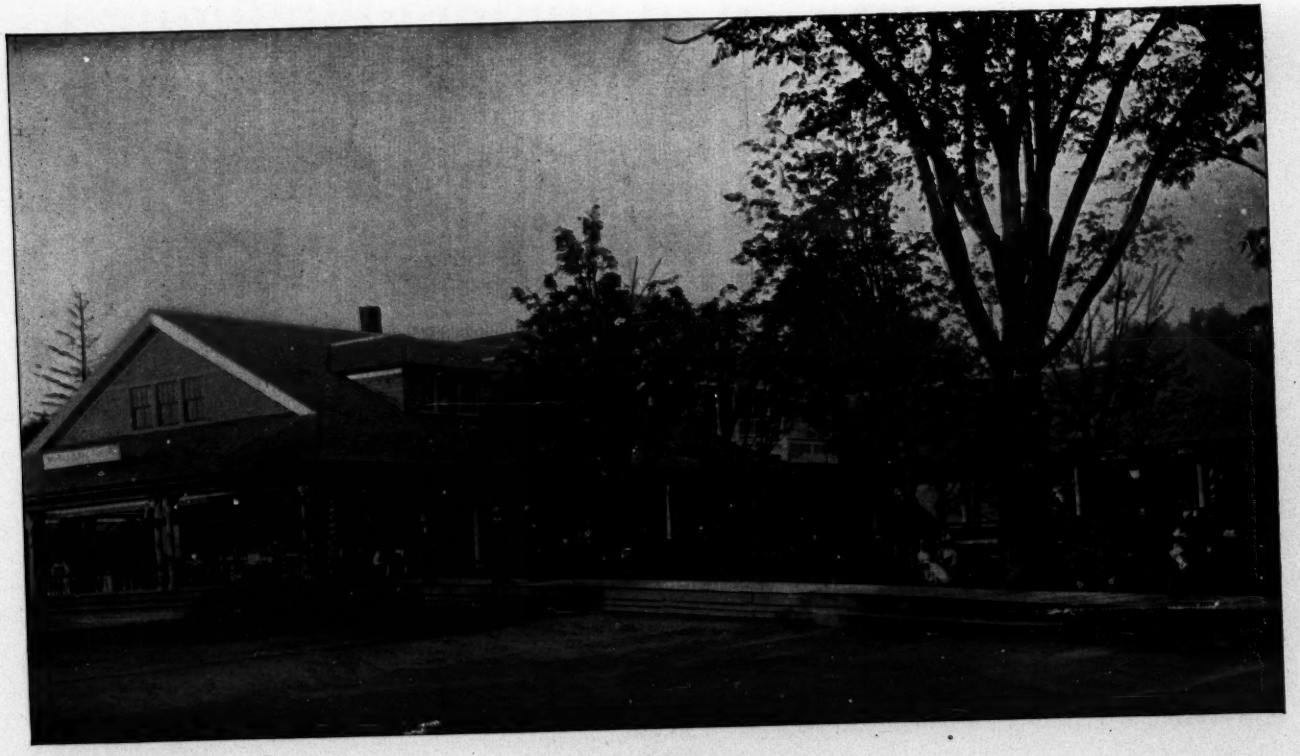
The motion was seconded by F. C. Haviland, of Hudson, and was adopted.

THE PRESIDENT: Before adjourning I will read a telegram I have just received:

NEW YORK, July 15, 1897.

Seymour Dexter, President N. Y. State Bankers' Association, Saratoga, N. Y.:

My congratulations upon the success of the year just closed. The association is stronger to-day than ever, and Group IX can always be relied upon to assist in accomplishing the



MOON'S HOTEL, SARATOGA LAKE.

great work of the future to the credit of the State and the banking fraternity everywhere.

I regret that personal matters prevent my attendance. S. G. NELSON.

THE PRESIDENT: In view of the change in the programme to accommodate the committee of arrangements, I will remind you that it will be necessary to commence our session promptly at half-past nine o'clock to-morrow morning.

Adjourned to Friday, July 16, at 9:30 A. M.

SECOND DAY'S PROCEEDINGS.

THE PRESIDENT: It is now almost thirty minutes past the time appointed to open this convention. Gentlemen will come to order. We will be led in prayer by the Rev. Dr. Joseph Carey, of Saratoga Springs.

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THE PRESIDENT: We will resume the order of the programme at the place where we left off yesterday. Therefore, first in order will be an address by Mr. A. J. Barnes, Cashier of The City Bank, Buffalo, on "Some Things the New York State Bankers' Association Might Do."

SOME THINGS THE NEW YORK STATE BANKERS' ASSOCIATION MIGHT DO—ADDRESS BY A. J. BARNES, CASHIER THE CITY BANK, BUFFALO.

Mr. President, Ladies and Gentlemen—There are, of course, many things that the New York State Bankers' Association might do. I simply appear before you to-day to try and tell you some of those things.

I think the first thing that the members of the association here assembled might do would be to move further forward and then I won't have to strain my voice so you shall hear me. Perhaps the next thing for your consideration at present would be to send greetings to the Minnesota State Bankers' Association now assembled in convention at Duluth.

Following that, you can consider the advisability of taking some action in connection with the proposed currency reform commission and the message to be sent to Congress on that subject by President McKinley. It has been stopped; he does not send it. Now, if that idea has any merit it may be worth your consideration, and if the New York State Bankers' Association will start out and not appeal as an association or as individuals, to Congress or to President McKinley, but let each individual member of this association go to the clientage of the institution you represent, and have each one of them telegraph his representative in Congress that he must see that the message is sent to Congress, you will then get the message to Congress right off, because the representatives of the people in Washington will represent the people when they are asked to do so: otherwise they can go on party lines, adopt party measures, and delay action. We might take some prompt action on that. If the association consider it advisable, or if it is important enough to have that commission formed or appointed to consider the reformation of the currency, why, have it done. You talk about it; you say it ought to be done. Make some move to get it done; go out before the people, and ask the people to help. That is the way to accomplish it. And in the work of the currency reform commission there should also be embodied the possibility of a new banking law, a banking law that will apply to all parts of the United States, and by which all the banks would be governed and do business alike. Then the people in the East will know that the banks in the West, so far as the department can control them, will be just as good as the banks they represent themselves. That will be a National Banking Act in every sense of the word and spirit. That is what the currency commission should be instructed to consider. It is an important point. Too much doubt often comes up among bankers as to whether a bank they get an item on, the bank being at some remote point, is good or not. The only reason they question that is because they do not know the methods of banking in vogue in that particular locality. It may be a State bank, and they are in doubt about it. If you knew that the same laws that govern the institution with which you are connected governed all other institutions throughout the country, you would be more at ease on that point. You could do a better business, and we could have better protection. It is a vital point and should be brought before the commission.

Another thing. It is the practice of some banks to give bonds covering deposits. In some parts of the State and in some parts of the United States bonds are given by commer-

cial discount banks on funds deposited by Savings banks, or perhaps some corporation else, for instance, a corporation similar to the Royal Arcanum or the A. O. U. W., where their treasurer is apt to be instructed that he should have every precaution placed around his deposits, and they name the bank and look around to see if they cannot get bonds from the directors to make them practically a preferred creditor. A bank out West will telegraph East: "If upon application of John Doe or Richard Roe, attorney, you will furnish the necessary bond in a replevin suit of so and so, we will hold you harmless from any loss or damage that may arise by reason of your so doing." And that bank goes out and gets some one to go on the bond, some of its directors, for a replevin or attachment suit. That should be stopped. You have no right to put a liability upon the bank that you represent in that way either through the board of directors, or by the bank itself, because you know the bank will protect any one of the directors that go on that bond. There is a liability against that bank that no one else in the country knows anything about. Apparently it is doing a safe business, when suddenly something happens, and it is found out that somebody has been taken care of, and the bank does not pan out very well. There are companies organized for the purpose of giving such bonds, and the reason they are not used more is because the man that uses them has to pay something for doing it, and when he telegraphs to a bank there is no charge, or a nominal one, for the servicce rendered. But it is the question of the liability. That matter should be investigated thoroughly, and it should be stopped. There should be no bonds given for any money deposited, or any transaction taken part in by the bank. The liabilities of the bank should show in the bank's statement absolute and clear, so that anyone who takes the statement in hand will know that what is on that statement is all the bank has to say about its assets and liabilities. There should be nothing back of it—not the first thing of any kind. Keep it clean. This association might start right in and rectify that matter very quickly. All you need is uniform action. Have the association in its council of administration provide how it should be stopped, and there will be no bank that will hesitate to decline to perform such services, because they will know that no other bank in the State will do them. So you give the banks the protection they ask for, and it is very easily done.

The next matter that the association might consider is the best plan upon which they can get at the true inwardness of the bankruptcy law, or the attempt to bring one out. That you are going to have a bankruptcy law in this country probably no gentleman in the room doubts, or a great strong effort to have one. Now, the New York State Bankers' Association might do this: They might get up the form of that bill, have it sent out among the bankers so they can study it, and then have a delegation go before the proper people and point out the vicious or bad parts of that law, as well as commend the good parts, because there is no one more thoroughly interested in the workings of a bankruptcy law than the bankers themselves. On the other hand, there is no class of men that can more clearly tell of the workings for good or evil of a bankruptcy law than the bankers. They should have an opportunity to consider this subject, and it should be brought about by this association. They should have a clear and precise opportunity to look at that bill and have it properly presented to the people so that they may know just what it is, and then the people will help to get it. If you want a good bill they will help to get it. Go out before the people, gentlemen, with these measures. Illustrate to them, point out to them the good or the bad there is in it from a practical standpoint, honestly, earnestly, and ask them to help, and you will see what a mountain of strength you will pile up. They will help right through on those measures.

This association ought to take some action in that matter. They ought to have a bankruptcy law; if they have one they will give no unfair advantage.

In considering the bankruptcy law this fact should be brought out: that instead of having a new law, or any more laws, you might repeal some of the laws you have got now and you would accomplish better results. As it stands now, look at the vast army of men that it requires and the vast amount of money necessary to be spent to collect the violations of a contract between two parties, when perhaps neither one of them was in any way particular about how the contract was drawn, or whether the man accepting it was good for it before he accepted it or not, because he says: "If the other fellow does not fulfill the terms of the contract, I can stop him by a process of law; I am protected;" and the man that accepts the contract immediately goes to his attorney to see how he can beat him. There are two interpretations of the same law or set of laws, and it mixes things up. Perhaps you have too much law already. This association might investigate and find out whether you want some of the laws repealed or not, or whether you want a new law entirely.

The next question which this association should consider is the matter of out-of-town collections. The New York State Bankers' Association should consider the advisability of a uniform rate of exchange. I suggest that simply because there has been a great deal of talk one way and another, and good talk, for the collection of items. But, gentlemen, you have not got anything. You have only talk, that is all. Let the association do something;

and I will suggest here, for the benefit of having it brought before them in some way, that they make a uniform charge for collections throughout the State (and that every bank pledge itself to stand by it) of one-tenth of one per cent for every item foreign to the city or place where you are doing your business. Take it up, discuss it, talk it over. Consider the question, gentlemen. There is no reason why you should do business for nothing. Neither is there any reason why you should rob anybody for doing part of it. Make them all pay alike.

In connection with this subject I have heard a great deal about the express company business. It is a fact that most people who go to an express company and buy a money order go there because they have the privilege of paying for it; yet they will walk into a bank and ask it to cash a check and expect to get the money for nothing. The very fact that they go into an express office and pay for the money order adds a wonderful amount of responsibility that the express company carries back of that order. The people believe in the express money order because the company charges them for what they do, and they think it is a stronger and better institution, and that the money is more apt to be paid than in some banks where they can go and get it for nothing if they try hard enough. You cannot go into an express office and buy a letter of credit or some of their foreign cash checks to use in foreign countries or throughout the United States and deposit your money and have that money draw interest. The express company will not do that: they won't tolerate anything like that. They just simply take your money, and they keep it; they will not pay you anything for leaving the money there, and they will charge you for the service they render you. The average man is suspicious of what he gets for nothing. He knows that it is not natural, and he also knows it is not right. It is not a true and honest method of doing anything. The average man does not want something for nothing. It is only because he finds that his neighbor or somebody else can get something for nothing that he wants to be equal with him. And you only have the difficulty of the collections of out-of-town items, or for charging for what you do over your counter, simply because the bankers of the country and of this State have allowed the banking business to drop down into a competitive business to that degree that they will do these things for the sake of getting business or of attempting to get business. Gentlemen, it ought to be changed, and the New York State Bankers' Association ought to consider that matter. It ought to consider a uniform charge on collections, as a start, anyway. If any man can get out of this suggestion something better, why, the association would be only too glad to have him do it.

After you have got it all going in New York State and this association has declared for it, then have a delegation from this association attend the meetings of every State association throughout the United States and say: "Join us in this effort, help us out in this matter," and then you will have it from the Atlantic to the Pacific, as easy as turning your hand over, because they will see the wisdom of it and follow it. As you stand to-day, as you are in session, the eyes of the people of the United States are upon the New York State Bankers' Association. The laws governing the banks of the State of New York are the foundation, and in many cases the entire superstructure, of all other State bank laws throughout the other States of the Union; they have taken the New York State bank law as the foundation or starting point. Knowing that, and knowing the important position you occupy, you should act accordingly. I do not have to tell you this, you know it; yet I was going to say some things that the New York State Bankers' Association might do; you seem to forget this fact, you do not remember it, and you will use it; you go on and come to the conventions year after year and addresses are made full of merit, well written, concise, fairly loaded down with good things that ought to be in operation, but nothing is done about them; they are not brought up, not considered; no opportunity is taken to investigate. If some of the things, or all of them, it makes no difference, were brought into effect, then you could have them modified if they did not meet the requirements. But take these things up and think of them. Do not let them all go for naught. We do not come here for that purpose. We come here endeavoring to get at some truths that we need to conduct our business with, for things are wrong. That is what we have come here this time for. And before the association adjourns you might perhaps indicate in some resolution to the council of administration that you would like to have some of these things brought out so that they can be considered and put before the public, where the good or bad can be brought out of them, and then a use made of them.

Within the last two weeks there has been a radical change made in the matter of appointing bank examiners. Heretofore they have been under the civil service, and, as I understand the situation now, the Superintendent of the Banking Department has entire control of the appointment of bank examiners. Now, there is no better man probably to examine a bank than a man that has been in the banking business. There is no use going around the corner and getting a blacksmith and asking him to come in and examine your bank. He might tell you things about it that you knew before perhaps, but it would not be a satisfactory exam-

ination as to the quality, the goodness or the badness of some of your loans, or your method of doing business, and it would take but very little effort on your part so that he would not know anything about your method of doing business after he went through your bank. This association might aid Superintendent Kilburn, or any other Superintendent of the New York State Banking Department, to pick out the most efficient and best men there are in the State of New York to examine its banks, and pay them for their services. Take them from the ranks of the bankers and make them bank examiners. It is a serious question, gentlemen, the character of men who walk into your institutions with credentials and authority to turn everything upside down in your banks. The man who does this ought to be a man of good judgment and discernment. Not but what they are so to-day, but see to it that the Superintendent keeps up the average, the calibre and quality, and see to it that his appointments are even better than what we have got. There is nothing too good for us. We are entitled to the best we can get and ought to have it, and if you do not get it, do not blame anyone but yourselves, because you have it all in your hands. You can go out and talk and educate the people in these matters, and you can bring about the results, providing what you has merit and is the truth, and you know that bankers do not want anything except that, for that is what we do our business on.

Probably the most important question that the New York State Bankers' Association might consider, and something they ought to be for or against, is the payment of interest on deposits, or on any funds whatsoever deposited in their banks. There is no reason why a bank should pay interest on its deposits, and it is only brought about through this error of some bankers in making the banking business a competitive business. It is pernicious, and it is an evil that should be corrected, and the New York State Bankers' Association should correct it. It should see to it that the members of the association are not doing that kind of business. There are Savings banks that have money on deposit, and there are banks in the State that receive interest on their balances, and they are protected, first, by the law making them a preferred creditor, and next by bonds given by the banks or the board of directors. There are country, city, township and village funds deposited with banks for which bonds are given, and in most every case there is interest paid on the money. Now, that money is the money of the people. It is paid in to the representative of the people, and the very bank that he takes the money to—the man who pays his money in in taxes—goes to the bank and keeps his personal account there, and yet you do not protect him with any bond. He can get along the best way he can, after these people that are preferred creditors get what they want. What is left goes to the other depositors. Now, gentlemen, that is wrong and it is an insult to your other depositors, because it is not right; you are deceiving them; they do not know these things, and banks in one section of the State do not know to what extent the banks in another section of the State are doing just that kind of business; they do not know anything about that assumed liability. You may say, oh, it is very remote and wouldn't affect anything. If anything happens, as I said before, you find the preferred creditor has been taken care of before the crash came. It has got to be that way; it cannot be otherwise and you do not blame them—at least, I never heard any blame attached to it. Now is the time to stop it.

Last fall about election time the people of this country declared for themselves the money they wanted, and they have made a proper recognition of probably the best money that any people ever had to use in the history of the world. That only shows you that it is the best people the world ever had who made that money. They levelled up all the trouble. They got out and were willing to take the consequences. They were told what would happen if they created this movement to appreciate the money of the country—that it would depreciate the value of commodities. Well, they appreciated the money, we will say, and the value of commodities, we will say, depreciated; they have sought a level. It has come down through the entire period from 1860, the most extravagant period this country ever saw, when extension and inflation was the order of the day, when people made money because they could not help it, and in a good many cases to-day their children are spending the money for them because they cannot earn their own living. If the men were here themselves to meet the sharp competition that we have to-day they would not accumulate the fortunes they did all through those years of inflation. Everything was inflated, and we all knew it, and we all knew that the day would arrive when there would be a leveling up, when values would seek their true level, and they did. And they have created the currency, but there is a stoppage somewhere; things do not seem to move just right. You will excuse the reference but that "advance agent of prosperity" does not get his work in very fast. It is coming, however. We all know it, and we can feel it to-day better than we could a week or a month ago. It is on the upturn, but the bankers of the country have got to take this good thing that has been created and just push it along, and the best thing that you can do is not to let go of every dollar you have got and invite everybody on the street in to borrow some and go out and try to find some place to use it, but stop paying interest on your deposits, stop paying for what is brought to you to do your business with, and reap the benefit of your efforts in the conserva-

tive way of getting the use for the benefit of the legitimate earning capacity of every dollar you have got in your bank, and nothing more. Come right out and meet this question. Go out before the people in a campaign of education. Illustrate it to them. Talk to them. Show them where they are wrong. Why, there is not a gentleman in this room that ever knew what a great monster he was and had been all these years until last fall when those people got on the platform and told you how you had ruined everything. Abuse from one end of the country to another. Now, what they said was either true or false—either one thing or the other. They either told the truth, or else they lied. The people came out by a majority to say that they were going to still pin their faith to the bankers. Now, go out and show them that they made no mistake. Meet this question for them; because, gentlemen, you are the men who are looked to from all over the world to right these wrongs, to tone up the moral standard of the community, and the quality of the money and its people. We are the trusted servants of the grandest, noblest trust ever given to man, taking care not of the dollars and cents of the people that they bring to the bank, but of their credit. And the greatest ingredient in that credit and the one that needs your advice, your watchfulness and your care, is the moral standing of it. It is the moral responsibility in men that you want to look at today, and you know you are looking at it. But tell a man so. Do not tell him that you are figuring wholly and only upon the dollars and cents that he has got, but let him know that he has got some manhood and something to live for, and a moral responsibility in all these things. Go out and explain it to the people. Talk that to them, because as you go among the bankers you will find representing the banking interest that the protection of the credit system of any country, especially of this country, marks the highest civilization that has ever been attained. Nothing ever known in history equals it. But there are errors in it. The New York State Bankers' Association can do no better than to stop the payment of interest on money and allow the use of money to come to the people at a rate recognized as its legitimate earning capacity, because when you go beyond that, between that price and the other prices you may charge above it, the word interest has to be tacked to it, and if you do not pay interest, gentlemen, do not charge interest. You are entitled to a fair and just compensation for what you do, and you should see that you get it in a fair and honest manner.

Now is the opportunity, as I said before, to bring these matters up and to adjust them. We are facing this question to bring about all these reforms. And do not call it a reform. Call it a movement straight ahead—an advance movement, a step up higher. The result of the last election and the campaign of education is going to bring out nothing but good to all mankind in the United States.

Gentlemen, in conclusion, to illustrate the opportunity, I will read a little verse that I took out of a newspaper. It is headed "Opportunity:"

> "The key of yesterday I threw away; and now late
> Before to-morrow's close-locked gate, helpless I stand.
> In vain to pray, in vain to sorrow;
> Only the key of yesterday unlocks to-morrow."

WALTER E. FREW, of L. I. City: Mr. President, this address that we have just listened to seems to my mind to have a great deal of merit, and I would move that it be referred to the council of administration for consideration, not so much on the points brought out in it, but as a gentle hint to the council of administration that we desire them to work on some practical lines during the coming year.

J. H. DeRidder, of Saratoga, seconded the motion, which was adopted.

BRADFORD RHODES: Mr. President—We have here this morning Capt. R. J. Lowry, president of the American Bankers' Association, and I move you that he be invited to a seat on the platform.

THE PRESIDENT: That will be done without a motion. Capt. Lowry will please accept the escort of Mr. Rhodes to a seat on the platform. I would state to the association that I had a very pleasant interview with Mr. Lowry this morning, and he kindly consented to speak to us while we are in session, and we shall hear from him this afternoon.

At the suggestion of William C. Cornwell, of Buffalo, Col. James R. Branch, secretary of the American Bankers' Association, was also invited to a seat on the platform.

THE PRESIDENT: Gentlemen, I have here a telegram that you will all be interested in.

BUFFALO, N. Y., July 16, 1897.

John A. Kennedy, Secretary N. Y. State Bankers' Association, Saratoga, N. Y.

I had expected to attend bankers' convention, but do not feel well enough to leave home. I hope you may have a pleasant and profitable meeting. Present my excuses to President Dexter, and remember me to any inquiring friends. A. D. BISSELL.

Next in order is the discussion entitled, "Should there be Uniform Laws Relating to the Taxation of Banks and Trust Companies," which will be opened by Hon, Lester H. Humphrey, President Wyoming County National Bank, Warsaw.

SHOULD THERE BE UNIFORM LAWS RELATING TO THE TAXATION OF BANKS AND TRUST COMPANIES. — ADDRESS BY HON. LESTER H. HUMPHREY, PRESIDENT WYOMING COUNTY NATIONAL BANK, WARSAW.

Mr. President and Gentlemen of the New York State Bankers' Association—The question of the day in all civilized countries, which is always pressing for solution and is never really solved, is the question of taxation. The thirteen colonies which originally formed this nation, fought the battles of the Revolution and secured their independence over a principle of taxation. The stability, the existence of government is founded upon the consent of the governed—to be taxed. Two months before the last national Democratic convention assembled in Chicago, the only issue which seemed to divide the two great parties in this country was the question of the tariff. The currency question was undoubtedly a most influential factor with business men, in securing the election of McKinley, but the issue in that campaign which finally influenced the great body of our citizens in casting their ballots, was the question of how necessary revenue for the support of our Government should be raised. One cause of the unrest so apparent among the middle and the poorer classes of our people, is the belief entertained by them that the rich do not bear their proper share of the burdens of taxation; that the poor man who has all of his property invested in a house and lot or farm (often mortgaged), is taxed for the full value of that property, while his more wealthy neighbor whose money is invested in personal securities by questionable or dishonest methods manages to contribute a much less amount proportionately toward the expenses of the State.

The foundation principle laid down by Adam Smith in his writings on the subject of taxation was "that the subjects of every State ought to contribute toward the support of its government as nearly as possible in proportion to their respective abilities, that is, in proportion to the revenue which they respectively enjoy under the protection of the State." This broad principle commends itself to the mind of every fair and patriotic citizen as being both just and equitable. It is the principle embodied in the policy not only of this State, but of every State in the Union, the principle which requires the taxation of both real and personal property at its full and true value, "unless exempt by law."

In the discussion of this question of "a uniform law relating to the taxation of banks and trust companies," while we shall perhaps find the sentiment here unanimously in favor of such a law, we shall not probably find ourselves in harmony as to the best method by which that desired end can be attained. There are many good men in the banking business who honestly believe that the proper method of reaching the end sought is to relieve banks from taxation by placing them on the same footing as trust companies, rather than to attempt by legislation to increase the rate of taxation of the latter class. I do not belong to the ranks of those who favor this course. While I realize fully what the burdens of bank taxation are, taxes are always burdensome, and I believe the bankers of the State are as able to bear their proper share of the expenses of Government as are any class of our citizens. Furthermore, no law exempting the banks from taxation could stand the storm of popular criticism it would provoke. Its speedy repeal would be certain. If we are to accomplish anything in the direction of more uniform laws upon this subject, it must be done by co-operating with those who favor an increase of the taxation of trust companies, not by wasting our efforts in useless endeavors to secure admission to the ranks of the tax dodgers.

I have not been able to discover why trust companies should ever have secured the relief from taxation they are enjoying, but I am of the opinion that they were originally supposed by the public to be, like Savings banks, somewhat philanthropic in their purposes. Nothing could be further from the truth. They are corporations organized to make money for their stockholders, and they have generously carried out this purpose of their promoters. They appear to have carefully watched legislation and the State has been most lavish in the privileges granted them. They posses all of the privileges granted by law to banks, except the right to issue circulating notes, and in addition, their privileges include all of the powers

granted to corporations by the general and stock corporation laws; the right to act as executors and administrators of estates; the power to take charge of the separate estates of married women; the privilege of acting as guardians, receivers or trustees of minors, and committees for lunatics, idiots and other incompetent persons; in fact the right to accept any and all trusts (to use the language of the statute) "not inconsistent with the laws of the State."

As the right to issue circulation on the basis of the present price of this Government bonds is worth only about one-half of one per cent. annually, the loss of the privilege is a slight one.

On the 1st day of July, 1896, there were thirty-nine trust companies engaged in doing business in this State, twenty of them being organized under special charters prior to 1887. At the legislative session that year a general law regulating the organization of these companies was passed, since which time no special charters have been granted. On that date—July 1, 1896—their report to the State Banking Department showed:

Capital stock	$30,400,000
Surplus fund	43,288,140
Undivided profits	5,373,643
Total	$79,061,783

Upon this capitalization of nearly eighty millions of dollars the taxes paid during the preceding year were two hundred and sixty thousand one hundred and eighty-nine dollars, or a trifle less than one third of one per cent. On the 14th day of July, 1896, the three hundred and thirty-five National banks of the State reported:

Capital stock	$85,796,540
Surplus fund	57,176,961
Undivided profits	24,489,309
Total	$167,462,880

The State banks of deposit and discount, two hundred and seventeen in number, reported on the 3d day of September, 1896:

Capital stock	$31,220,760
Surplus fund	19,942,816
Undivided profits	8,308,318
Total	$59,471,894

making the total capital, surplus and undivided profits of

National and State banks	$226,934,724
Deduct estimated exemption for debts of shareholders	26,934,724
Leaves estimated amount liable to taxation	$200,000,000

At .0214, the tax rate last year in New York city which is probably lower than the average rate which prevailed throughout the State, the taxes paid by National and State banks would be $4,280,000, or nearly 1.9 per cent. on the total capitalization of $226,934,724. At this rate $79,061,783 invested in the stock of trust companies would yield the State and municipalities where they are located $1,502,211, an increase of $1,242,022 over the amount paid by them last year.

We are all familiar with the law governing the assessment and taxation of banks. They are liable to an assessment for the full book value of their stock, less the indebtedness of individual stockholders, and any losses they can show have not been charged off.

Trust companies are taxed for State purposes upon their capital stock only, at the rate of ¼ of one mill for each 1 per cent. of dividends they declare, provided the dividend is 6 per cent. or more. If their dividends are less than 6 per cent. they pay at the rate of 1½ mills annually on each dollar of capital stock. Their surplus and undivided profits are not liable for this tax, no matter how large they may be. This provision of the law exempting their surplus and undivided profits from taxation for State purposes, is doubtless responsible in some measure for the policy which prevails among trust companies of accumulating large surplus funds. You will notice that while the capital stock of the trust companies of the State is $30,400,000, their surplus and undivided profits amount to $48,661,783. To show the assessment to which they were liable for local purposes previous to the revision of the tax laws of the State in 1896, I will give a copy of the statement made by the Fidelity Loan and Trust Company, of Buffalo, to the assessors of that city.

STATEMENT OF FIDELITY LOAN AND TRUST COMPANY, OF BUFFALO, TO ASSESSORS.

Local Tax of Trust Companies.

Trust companies are taxed for local purposes under New York revised statutes. Vol. 1, Ch. 18, title 2, page 1149, sections 1 and 2, and chapter 456 of the Laws of 1857, section 3, vol. 2, page 1.

The statute will be found in the appendix. The method of taxation is as follows: The assessors deduct from the total capital and surplus:

First. Ten per cent. of the amount of the capital. So much of the surplus as amounts to 10 per cent. of the capital being exempted.

Second. The assessed value of the company's real estate taxed separately.

Third. The amount of capital invested in non-taxable securities, which are bonds of the State and of the United States, United States notes and stocks and bonds of New York city.

The balance is assessed as the amount of capital taxable, and on it the tax is levied at the estimated rate of taxation for the locality.

Capital stock	$500,000.00
Surplus	80,128.02
Total capital and surplus	$580,128.02
Capital exempt	50,000.00
Balance	$530,128.02
Amount of capital invested in non-taxable securities is as follows, viz.:	
Amount invested in United States bonds	$520,112.50
" " " Gold coin	7,000.00
" " " Legal tenders	12,000.00
Amount exempt	$539,112.50

Chapter 456, of the laws, of 1857, was repealed by the law of 1896, so that now in place of claiming a 10 per cent. exemption on capital stock, they must purchase and hold a few more non-taxable securities.

As a member of the State Senate, I last winter introduced a bill embodying the idea suggested by the subject under discussion by us to-day. By its provisions it relieved trust companies from the organization and franchise taxes to which they are now liable, and provided for their taxation in all respects as are banks. One argument advanced by their representatives before the Senate committee on taxation and retrenchment, was that if the bill became a law they would be taxed out of existence. Let us see if there is any foundation for this claim. The official report of five of the oldest and strongest of these companies on file in the State Banking Department shows what nearly one-half of the money invested in the stock of the trust companies in this State is doing:

THE NEW YORK FINANCIAL TRUST COMPANIES.

An exhibit, showing the past progress and present condition of five of the oldest financial trust companies of New York City, based on official reports to the State Banking Department, which speaks for itself:

NAME.	Capital.	Surplus Dec. 31, 1885	Surplus Dec. 31, 1896	Increase of book value on basis of $100 per share, 11 years.	Amount of dividends paid, incl'g additions to surplus, 11 years.	Dividends now paid per cent.
Central Trust, char. in 1873	$1,000,000	$1,909,627	$6,520,890	461	$8,601,263	50
Farmers' L'n & T., " 1822	1,000,000	2,322,646	4,423,884	210	5,101,238	30
N.Y. Life Ins. & T., " 1830	1,000,000	2,055,512	2,677,786	62	3,722,274	40
Union Trust, " 1864	1,000,000	2,020,441	5,213,302	319	5,482,861	32
United States " 1853	2,000,000	5,700,558	9,822,913	206	10,492,355	40
Totals	$6,000,000	$14,008,784	$28,658,775	.....	$33,449,991	.....

The net earnings of the Central Trust Company of New York city last year was 96 per cent. on the par value of its stock and nearly 14 per cent. on its book value. The book value of this stock Dec. 31, 1896, was $752 per share of $100. Its earnings were so large and sure that it sold at from $1100 to $1200 in the open market. The market reports of other leading companies do not verify their claim that a fair and reasonable contribution from them toward the expenses of the State would drive them out of business:

NEW YORK STATE BANKERS' ASSOCIATION.

FISH DINNER, MOON'S HOTEL, SARATOGA LAKE.

EARNINGS OF TRUST COMPANIES.

Name.	Book value Dec. 31, 1895.	Net earnings including dividends paid 1896.	Rate of dividends now paid.	Per cent. on book value, Dec. 31, 1895.
Guaranty	216	24	10	11
Kings County	228	23	8	10
Manhattan	132	14	5	10
Metropolitan	206	15	10	16
New York Life Ins. & Tr. Co	222	29	10	11½
Title Guar. & Tr. Co	164	26	8	16

The average net profits of all of the trust companies of the State last year was ten per cent. upon the book value of their stock. The average annual net profits of the National banks of this State for the past five years have been less than five and one-half per cent. on the book value of their stock. I have not been able to secure exact figures regarding the earnings of State banks, but it is fair to assume their earnings have not been proportionately larger than those of the banks connected with the national system. Would an increase in the expenses of these trust companies by the imposition of additional taxes to the amount of one and one-half per cent. on the book value of their stock drive them out of business? Would their stockholders vote to hquidate if their net earnings were reduced to eight and one-half per cent, annually? There is not an equal amount of money invested in any business enterprise in this State, outside perhaps of a few monopolies, which for ten years can show the percentage of profits earned by these institutions. It is not with any feeling of hostility toward business rivals that the bankers of this State join with other tax-paying interests in demanding that the present tax laws of the State be amended so that the large amount of money invested in trust companies shall bear a proper, fair and just share of the expenses of the Government whose protection they enjoy. We simply demand fair play.

And now, members of the State Bankers' Association, what are you going to do about this matter? Do you believe that these companies ought to be taxed? If so, you have it in your power to tax them. The intelligent farmers of the State are thoroughly aroused on this subject now. They will heartily endorse any plan which promises to place this eighty millions of personal property on the assessment rolls. Not every member of the Legislature has a political future, but nearly everyone thinks he has. Desire for re-election is the dominating influence which most surely controls him. The power he respects most is an aroused public sentiment at home. From this time forward no candidate for the Legislature should be allowed to secure an election until he has pledged himself to vote for and use all of his influence in favor of securing the enactment of a law for the proper taxation of trust companies.

There are five hundred and fifty banks of deposit and discount in this State. Their officers are numbered among the most influential citizens of the communities where they are located. Aided by the farmers and other tax-paying interests who are only waiting to be led in this matter, we can surely secure a Legislature within a few years that will enforce our just demands. We must expect to be met by a hard fight. These people will not add one and a quarter millions of dollars annually to their tax contributions to the State without a fight; but our cause is just, and we can win.

What this association needs is a working legislative committee—not a committee made up of amiable gentlemen who will pass long harmless resolutions, look wise, and do nothing, but a committee composed of your shrewdest men, and those most familiar with political work and methods. Such a committee, receiving the moral and financial support of this body of men before me, would organize a movement in this State which would not only tax trust companies but which could not fail to be of great service in other ways to the interests we here represent.

THE PRESIDENT: Gentlemen, this paper is now open for discussion, and according to the programme remarks are not to exceed five minutes in length.

JAMES H. TRIPP, of Marathon: I would like to ask Senator Humphrey if he would suggest that the bonds held by these trust companies that are exempt from taxation should be taxed when in the hands of trust companies?

MR. HUMPHREY: Yes. Bonds in the hands of the banks are taxable, and bank stock is taxed to the shareholders. The State has just as much right to tax the shareholders of trust companies as it has to tax the shareholders of banks. I know

it has been argued that this would be unconstitutional, but it has not been explained why it was constitutional that the law should tax banks under the same circumstances and not trust companies. I am very skeptical about the question of vested rights. I have heard the question urged at great length and very earnestly, but it seems to me that under existing laws wrongs are being perpetrated, and if wrong is being perpetrated under existing laws it is the duty of the Legislature to right the laws. It was with that idea that I introduced this bill. I introduced it after due deliberation, and I found at the commencement, so far as I talked with members, that the legislators were in favor of it; but when the trust companies got in their deadly work I had only one member besides myself to report on my bill favorably.

MR. TRIPP: I believe in a uniform system and that bonds which are exempt from taxation in the hands of the individual should also be exempt when they are in the hands of the bank. That is a matter of justice, I believe. I know now that the banks of the State generally are taxed more in proportion to their capital than they are in personal property, and it seems to me only just to have it equal, that the National banks which hold bonds should also hold them exempt from taxation, the same as individuals. I am sure I do not see why they should not have just the same rights as individuals to hold those securities. On the other hand, the stockholders of a National bank are taxed, and as I understand it the tax on a trust company would be placed on the company, and their stockholders not taxed. Now, if there is anything done why would it not be better to make the stock of a trust company personal property and subject to taxation the same as a National bank's stock?

MR. HUMPHREY: My opinion is that a law of that kind would not stand the storm of public criticism. A law of that kind passed the Senate and Assembly, but as soon as it struck the press and got to the people it died an untimely death. The people would demand its repeal, and it would be repealed.

MR. TRIPP: Why—not to tax the stock?

MR. HUMPHREY: But that would put us on a par with trust companies, and I am talking about putting us on a par with the trust companies.

MR. TRIPP: Mr. Humphrey cited some trust companies that had been very prosperous and which have a very large surplus, as the old-established trust companies have. But the trust companies organized now have not got so much advantage, and they could not make any such dividends. We have National banks and other banks that have stock worth more than any trust company. There is the Chemical National Bank of New York city, the par value of its stock being 100, while the salable value of it is over 4,000.

MR. HUMPHREY: Is not the stock of the Chemical Bank taxed with the individual stockholders upon its book value?

MR. TRIPP: Yes.

MR. HUMPHREY: But the stock in a trust company is not taxed upon its book value, and you will notice that I gave the book value and the percentage upon book value, and that the earnings of all the trust companies of the State upon the book value of their stock last year was over 10 per cent.

MR. TRIPP: Right there comes in my idea—to tax the stock.

THE PRESIDENT: That is what I understand Mr. Humphrey is contending for.

MR. TRIPP: Oh no, he is not.

THE PRESIDENT: He is contending for uniform taxation.

F. B. SCHENCK, of New York: I am in sympathy with Senator Humphrey, and inasmuch as he has given a great deal of time and study to this subject, I would move that he he requested to prepare a set of resolutions to be presented to us this afternoon for our action.

The motion was seconded by Mr. Rhodes, and was adopted.

THE PRESIDENT: Senator Humphrey has heard the motion, and he will please prepare a resolution accordingly. The next order upon our programme is an address by Hon. F. H. Hamlin, President of the Canandaigua National Bank, entitled "Is a Bankrupt Law Desirable?"

IS A BANKRUPT LAW DESIRABLE?—ADDRESS BY HON. F. H. HAMLIN, PRESIDENT CANANDAIGUA NATIONAL BANK.

Mr. President, Ladies and Gentlemen—When the council of administration requested me to present a paper on this occasion they supplied me with a title, and you will observe by reference to the programme that they adopted somewhat the Socratic idea of investigation. They say, Is a bankrupt law desirable? They do not say that it is desirable, or that it is not desirable. That philosopher went around asking questions which implied, as I understand, no opinion on his own part, but he sought to obtain information and wisdom from others. That is the way the council of administration, not wishing to declare any absolute opinion on the subject, present the case here, and I shall follow their lead. I shall give you something of the inception of the bankruptcy law. I shall give you something of its history in England and America. I shall give you some arguments for it, and some arguments against it. Then you may draw your own verdict upon the facts presented as to whether a bankruptcy law is or is not desirable.

Historically considered bankruptcy legislation had its inception about the beginning of the Christian era. Rome was then becoming the great trading nation of the world, and was about entering upon the career which ultimately brought her commercial law to a perfection which has challenged the admiration of all subsequent students of jurisprudence.

It is somewhat remarkable that in a pagan age the first bankruptcy law was induced by humanitarian reasons, while our English ancestors in a Christian era adopted similar laws from a quite different motive. But the Roman lawgiver was late in granting leniency to debtors. It was not till centuries had elapsed from the founding of the city that such legislative action became consonant with public opinion. The extreme rigor with which defaulting debtors were treated among the Latins in primitive times, is readily explained by recurring to conditions then existing. The transfer of property was no everyday occurrence. It was an exceptional and important matter in the lives of the parties, and was in the absence of writing surrounded by a great degree of ceremony to impress the transaction upon the minds of the witnesses. Take the transfer of a slave, the property most frequently subject to sale in early times. At the appointed time and place came the vendor and vendee, the former bringing his chattel, the latter his copper ingots accompanied by his assistant the *libripens* or scale-holder; with due formalities of speech and gesture, in the presence of numerous witnesses, the copper was duly weighed, the prescribed formula recited, the slave delivered, and the transaction "with the copper and the balance" was completed. The gist of the whole proceedings, it will be noticed, was the full performance both by vendor and vendee. If by any chance this was prevented it was an anomaly, and if the delinquent, after an opportunity to perform, was still in default, he was deemed a criminal; and was turned over to be the bondsman of his creditor as a compensation for the wrong committed. The condition of defaulting debtors in early Roman times is thus described by the graphic pen of Gibbon:

"After judicial proof or confession of the debt, thirty days of grace were allowed before a Roman was delivered into the power of his fellow citizen. In a private prison twelve ounces of rice were his daily food; he might be bound with a chain of fifteen pounds of weight; and his misery was thrice exposed in the market place to solicit the compassion of his friends and countrymen. At the expiration of sixty days the debt was discharged by the loss of liberty or life; the insolvent debtor was either put to death or sold into foreign slavery beyond the Tiber; but if several creditors were alike obstinate and unrelenting they might legally dismember his body and satiate their revenge by this horrid partition."

It is quite probable that these extreme measures defeated their execution long before they were repealed; and as writing became more common, and commerce expanded, and executory contracts became frequent with the systems of credit thereby evolved, more humane treatment began to be accorded to debtors. It was left to the great Julius to add to his luster as a soldier, the fame of having first granted to an insolvent relief from personal penalties on a surrender to his creditors of all his property to be equally divided between them. This was the beginning of that bankruptcy legislation which the Romans subsequently carried to the quite opposite extreme (a common experience in legislation) by allowing a debtor who would depose that he had not sufficient property to pay his debts, to keep what he had; which proved so irresistible an inducement to perjury that it reduced the whole system to an absurdity.

Some fifteen centuries after the passage of the Julian law our English ancestors, in the reign of Henry VIII, began the evolution of a bankrupt system. Many years before this,

the free cities of northern Italy, profiting by the trade the crusades had brought to them, had grown opulent and powerful. The Lombard merchants and bankers had invaded England, established themselves in London, and had given a name to its great banking mart which still survives. Later the Hanseatic merchants of the North succeeded in absorbing the lion's share of the English trade. But the foreign merchant, whether Lombard or Fleming, was no great favorite with our insular fathers. They, doubtless, enjoyed the luxuries which he introduced, but they had primitive ideas of trade, and regarded the foreign merchants as legalized pirates whose aim was to drain the country of its wealth. Restraining acts and vexatious interference with his rights, doubtless, caused the foreign trader to recoup his wrongs by defrauding his English creditor as opportunity afforded; and so in the opinion of Sir Edward Coke England "fetched as well the name as the wickedness of bankrupts from foreign nations." As to the name, it was probably derived from *bankus*, a bench, and *ruptus*, broken, referring to the custom said formerly to exist in the Italian cities of breaking the benches of defaulting traders—a fact suggestive of the inquiry whether the destructive spirit of the modern broker is not to some extent, at least, inherited.

It was, doubtless, against those "who used the trade of merchandise" that the Act of Henry VIII was chiefly directed, for in the quaint diction of the time its preamble recites that "divers and sundry persons, craftily obtaining into their hands great substance of other men's goods, do suddenly flee to parts unknown, or keep their houses, not minding to pay, or restore to any of their creditors their debts and duties, but at their own will and pleasure consume the substance obtained by the credit of other men for their own pleasure and delicate living, against all reason, equity and good conscience."

The effect of this Act was that instead of proceeding against the defaulting debtor by action first and then throwing him into prison in case his body could be seized, until the judgment was satisfied, the crown attempted first to seize his goods in his absence and to distribute them among his creditors, and thereafter to punish the bankrupt in case he could be apprehended. It will be remembered that from the time of Elizabeth until quite recently English bankruptcy laws were leveled solely against traders. Upon this was based originally the distinction between a bankrupt and an insolvent; the former term was applied to the trader only, while the latter was of general application.

All these early Acts were highly penal. By the statute of 21, James I, a seat in the pillory and the loss of an ear were to be meted out as punishment to a bankrupt who was not able to show that his condition arose from casual loss for which he was in no degree responsible—the legal presumption being against him. In Scotland and France the bankrupt, who was so fortunate as to escape from imprisonment, was required to wear a distinctive garb indicative of his degradation; and a relic of this custom still survives in certain continental nations in the civil disabilities to which bankrupts are subjected.

Notwithstanding the extremely penal sanctions of the early statutes, it is quite apparent that they proved ineffectual and unsatisfactory. The absconding trader evidently either so successfully concealed or disposed of his property that very little was found to satisfy the demands of his creditors. Accordingly, in Queen Anne's time, in order to induce the debtor to appear and disclose his estate to the court, it was made a felony punishable with death for a bankrupt not to appear for examination; whereas, if he did appear and truthfully answer, an allowance out of the estate was awarded to him, and he was also discharged from all his then existing debts. It was thus that the provision for a debtor's discharge incidentally found its way into the English statutes. That no humanitarian consideration effected it, is quite apparent from the fact that imprisonment for debt was, until very recently, continued as one of the essential bulwarks of commercial credit in our mother country.

It must be understood that these proceedings were all against the debtor. The idea of voluntary bankruptcy proceedings, whereby the debtor, under any conditions, should be discharged on his own petition, was a much later development. It did not find its way into the English system until 1825, when it was engrafted on to their law; but a discharge has usually been conditioned, among other things, upon payment of at least ten shillings on the pound of the debtors' liabilities.

So, too, the extension of bankruptcy proceedings to others than traders was of very slow growth. By degrees, however, it was extended to scriveners (a kind of financial agents) then bankers, and brokers, and finally, in 1861, its application became general to all alike. The reason for this preference so long maintained in favor of the trader against the non-trader is thus defended by an eminent writer:

"If a gentleman, or one in a liberal profession, at the time of contracting his debts has a sufficient fund to pay them, the delay of payment is a species of dishonesty and a temporary injustice to his creditors; and if at such time, he has no sufficient funds, the dishonesty and injustice is the greater. He cannot therefore murmur if he suffers the punishment which he has voluntarily drawn upon himself. But in mercantile transactions the case is far different. Trade cannot be carried on without mutual credits, the contracting of debts is therefore

here not only justifiable but necessary. And if by accidental calamities, as by the loss of a ship in a tempest, the failure of brother traders, or by the non-payment of persons out of trade, a merchant or trader becomes incapable of discharging his own debts, it is his misfortune and not his fault. To the misfortune, therefore, of debtors the law has given a compassionate remedy, but denies it to their faults."

During the development of the present English bankruptcy system it has undergone a multitude of changes and supposed improvements. I think, on the whole, it has been far from satisfactory, although not so unsatisfactory as to be abandoned. Lord Eldon, speaking of its practical results after it had been tried for upwards of two centuries, thus expresses his opinion:

"The abuse of the bankrupt law is a disgrace to the country, and it would be better at once to repeal all the statutes than to suffer them to be applied to such purposes; there is no mercy to the estates. Nothing is less thought of than the object of the commission. As they are frequently conducted in the country they are little better than stock in trade for the commissioners, the assignee, and the solicitors."

Since this judgment was pronounced, the British Parliament, by nearly or quite fifty remedial statutes, has undertaken to improve its bankrupt law. The statute at one time provided that the assignee should be elected by the creditors; then a dual system of two assignees was adopted; later, on the report of a select committee, an official assignee was placed in charge of the estates; but in 1869 another special committee reported that estates were being wrecked and plundered by official assignees, and advised a return to the former method of administration. Apparently each of these succeeding officials surpassed his predecessor in his ability to dissipate the bankrupt's estate on its way to the creditors; and the whole record seems to indicate an irrepressible conflict between the assignee and the creditors, with the former always successful.

By the Act of 1883, amended in 1890, Parliament undertook a thorough revision of the English law, and has undoubtedly minimized the evils that seem, to a considerable extent, inherent in the system. The new Act depends for its success upon the administration by an assignee elected by creditors, surpervised by a committee appointed by them, and controlled by an officer of the Board of Trade, there a department of the Government. Discharges are obtained with difficulty, and are usually based on the payment of a considerable percentage of the liabilities and a minute and thorough investigation into the antecedents of the debtor and his business methods. His discharge seems to be left discretionary with the court, after proof that his insolvency is not chargeable to his own neglect or recklessness. From the later reports made annually to Parliament it would appear that the new procedure is meeting with a considerable degree of success.

I have somewhat at length referred to the history of English bankruptcy legislation, for the reason that our own enactments have been largely repetitions of her statutes, and the results obtained not dissimilar to those summarized by Lord Eldon.

Our earliest essay in bankruptcy legislation occurred in the first year of the present century. Under that provision of the Federal Constitution which grants to Congress the power to establish uniform laws on the subject of bankruptcies throughout the United States, our first bankrupt law was then passed. Generally speaking, it was an adaptation of the then existing English law, and only permitted proceedings to be instituted by creditors against bankrupt merchants. The duration of the Act was by its terms limited to five years, but within three years it was wiped off the statute books by the odium of so hostile a popular sentiment, that for forty year no serious effort was made to renew it. Possibly its unpopularity was partially political, for the western and southern agriculturist was loath to accord the privilege of discharge from debt to his neighbor, the storekeeper, while he was left to respond to his full legal liabilities.

After the panic of 1837 another experiment was made, and I am inclined to think that the Act of 1840 was the first instance in modern times, of an enactment by which a debtor on his own petition could be absolutely, and almost unconditionally, discharged from just debts which he admitted were valid and binding obligations. However that may be, immense numbers of debtors took advantage of it, and while its involuntary provisions were little regarded, voluntary petitioners crowded the courts with their demands for decrees of repudiation. So great was the scandal created, and so soon was the Act discredited and condemned, that the same Congress that enacted the statute repealed it.

Another quarter of a century passed before the provision of the Constitution which authorizes bankruptcy legislation was again taken advantage of. In 1867 the national legislature, conceiving that after long efforts a law had been elaborated which avoided the evils charged against all prior systems of the kind, gave the country a new bankrupt law. This Act with certain amendments was upon the statute books for eleven years, and during the first ten years of its existence over a hundred thousand debtors were brought within its terms. Much was anticipated of it, and it was the expectation of its friends that they had

established a permanent system that would commend itself to popular favor. But the verdict ultimately passed upon it was quite the reverse. After a fair trial, for a period long enough to fully test its virtue, an almost unanimous public condemnation swept it out of existence; and so emphatic was the verdict that for thirty years no subsequent effort to enact a national law on the subject has been successful. Memorials from boards of trade, credit associations, and other commercial organizations called for its repeal. As the result of this popular demand the repealing Act passed the Senate by a vote of thirty-seven to six, and the House by an equallly overwhelming majority.

The Act had pretty thoroughly established the verity of the English law student's definition, that a bankrupt law was a legal device for the equitable division of the bankrupt's estate between the assignee and the officers of the court.

Hon. Lyman Tremaine declared in a speech in the House of Representatives, that out of eighteen hundred cases adjudicated in the city of New Orleans only one declared a dividend.

It must be conceded, I think, that in the light of experience, the practical results of bankruptcy legislation have not on the whole proved satisfactory in the two great English-speaking nations.

And yet there is much to be said in favor of a well devised uniform bankrupt law. It purports to effect two principal objects: First, to divide the assets of an insolvent ratably and inexpensively among his creditors; second, to discharge the honest debtor. It is argued by the friends of a bankrupt law that its chief excellence lies in its prevention of all preferences, so that one creditor cannot absorb the estate of a failing debtor to the detriment of others, by which it frequently happens that some creditors are paid in full and others obtain little or nothing. To this its opponents reply that the right of a debtor to prefer a creditor is of great antiquity, and the evil lies in its abuse. That its use under certain conditions is not only justifiable but is commendable. For instance, as between an accommodation endorser, and one who uses "the trade of merchandise," it is maintained that the surety should be protected; for the reason that the former can have gained nothing from transactions with the debtor, while the latter may have made many times his loss, although it be total. Moreover, it is said, that to absolutely prevent preferences is impossible, and the general experience in the distribution of the assets of insolvent corporations is cited in proof of the assertion.

Again it is declared, with much force, that under existing conditions a uniform system of bankruptcy is essential to commercial dealings between the citizens of the different States: that the insolvent laws of the forty-five sovereign States are inharmonious and confusing, and frequently unjust; and that the provisions of the Federal Constitution practically prohibit the States from enacting efficient bankrupt laws. To this the opponents of the Act reply that the exemption laws of the several States are so widely different that uniformity is a delusion, and not likely to be obtained in any event; that the creditors of a Texas debtor, who may claim as exempt from execution a farm of two hundred acres with improvements, or five thousand dollars invested in urban property, cannot be as favorably situated as if their debtor was a resident of a more conservative eastern State; and that if the local creditor has an advantage, it was known to the distant creditor at the time the credit was extended, and he has no just ground of complaint.

But it is asserted that the leading commercial nations have all adopted and maintain bankrupt laws. This, generally speaking, is true, but there is little in the bankrupt systems of France or Germany that would be congenial to our indigenous insolvent. Bankruptcy abroad is never embarked upon as a financial speculation. A certain disgrace is attached to it and discharges are very difficult to secure. In France certain civil disabilities exist until the debtor has satisfied his creditors in full. In Germany bankruptcy arising from dealing in futures, or keeping incorrect balance-sheets, is punishable by imprisonment for a term of years. In each of these nations the Government either administers the estate or rigorously supervises it, and it is done with a rapidity and directness and at a cost unfamiliar to our judicial methods. It is said that under the Act of 1877 the maximum expense of administering an insolvent's estate in Germany, assuming assets to the amount of $6,000, was eighty dollars court expenses and twenty-three dollars attorney's fees.

As to the voluntary American bankrupt, the debtor who files his petition to secure his own discharge from just obligations, a question of ethics arises worthy of consideration by the moral philosopher. The argument generally advanced in favor of the debtor's discharge is based on supposed public policy. It presupposes always that there are thousands of energetic and honest debtors, so crushed to earth by their existing liabilities as to be utterly discouraged and demoralized, but that as soon as the incubus is removed these unfortunates will at once become active and potent creators of personal and national wealth. There may be some justification for this optimistic view of the case, but so far as my own observation goes it leads me to believe that, in general, creditors are more anxious than debtors to arrive at a

fair composition, and that as a rule honest debtors have small reason to complain of the exactions of their creditors. Moreover experience seems to have demonstrated that voluntary bankrupt laws are the most demoralizing agencies yet devised by human ingenuity for the corruption of commercial honor, and to use the language of Chancellor Kent, supply "an alluring bait to dishonesty."

But conceding that preferences are, on the whole, objectionable, and that debtors without regard to antecedents ought to be discharged, and that the State laws are crude and inadequate, the question still remains whether any method has yet been discovered that will satisfactorily accomplish the desired result.

The major share of all bankruptcy laws consists of certain legal machinery, whose action should be quick, inexpensive and efficient. But history shows that three centuries of experiments have not yet entirely solved the problem. The difficulty lies in the fact that there seems to exist in the human race an innate tendency to regard a bankrupt estate as a sort of treasure-trove for which the finder should thank Heaven, and at once proceed to enjoy. Whether this tendency can be better overcome by national rather than State legislation, is a debatable question. The Act of 1867 was certainly a fruitful source of revenue to register, and assignee, and solicitor, and marshal, and clerk, and all the other exploiters of the bankrupt's estate.

It of course does not necessarily follow that because bankruptcy Acts in the past have proved of doubtful utility, and have freed many dishonest debtors from obligations that they ought to have performed, and have been used at times to the ruin of solvent debtors that otherwise might have bridged over their temporary embarrassments, that no satisfactory bankruptcy law can be perfected. Past experience, however, should render us somewhat cautious in accepting the optimistic ideas of over-sanguine legislators.

It is quite likely that another trial will soon be made, and a brief reference to what is know as the Torrey Act may not be undesirable. This proposed law has for a number of years been before Congress for consideration, and if we are to have a bankrupt law I am free to say that I believe that this Act has much to commend it. It has been committed and recommitted, and amended, and passed in one house, and side tracked in the other, and has been subjected to all the polishing and perfecting methods known to the modern legislator. It has for its sponsor a gentleman who has pressed its claims upon the country with a zeal and persistence and faith in the merit of his law, that deserve success. As compared with the law of 1867 it undoubtedly avoids some of its serious defects; it requires in ordinary cases that at least three creditors must unite in a petition against the debtor, thus preventing the Act being maliciously or unjustly used by an individual for personal ends. It provides for voluntary and involuntary proceedings and encourages compositions. It attempts to limit the expenses of administration by awarding fixed compensation instead of fees, and seeks to control discretionary allowances. But after all, under different titles, there still necessarily appear the trustee, and the referee, and the attorneys, and the clerk, and the marshal, and the stenographer, and the printer and their various coadjutors. Its weakness would seem to lie along the line of insufficient governmental supervision to check the rapacity of officials. As has been said by another *pro rata* distributions are not of much practical benefit unless there is something left to *pro rate*.

As a theory the proposed law is attractive. As a condition its realization is somewhat problematical if experience counts for anything in the affairs of men. Whether it, or any bankrupt law, would subserve the banking interests of the country is questionable, as it would contravene that unwritten law to which I have before alluded, that failing debtors should prefer their endorsers, and thus indirectly their bankers. But this is of minor importance, to be met by a revision of our discount lists.

If it shall appear to our national legislators that the business interests of the country at large will be benefited by the enactment of a bankrupt law, you, who represent the banking interests of this great commonwealth, which dominate the finances of the Western Hemisphere, and whose influence is felt throughout the circuit of the commercial world, will be the last to oppose on special grounds its enactment.

Notwithstanding a popular prejudice which seems to prevail in some parts of the country against banks and bankers, no business interest exists that demands so little of special legislation on its own behalf. The prejudice to which I have referred arises from a wholly false idea of the true relation of the banks to the community. It should be enforced upon the popular mind that the banks are simply reservoirs into which tend the idle savings of multitudes of thrifty people, and that from these reservoirs there flows through a thousand channels that stream of wealth which fertilizes and renders productive the broad field of human industry. Bankers are the agents in control of this beneficent power, and are to be commended or criticized as they perform faithfully or otherwise the great trusts committed to them. Their interests are dependent upon the common prosperity, and they can alone be successful as the community that they serve is prosperous and progressive.

The bankers of this State are not only influential and powerful business men, but they have more than once demonstrated that they are large-minded, far-sighted, patriotic citizens, ready to sacrifice personal ends for the common good, and they fully recognize the fact that their prosperity is founded on the general welfare. If a bankruptcy law or any legislation, national or State, will tend to the good of the people at large, the bankers of New York will welcome it with enthusiasm, and rejoice to see the beneficial results which may flow from it. At the same time they have infinite faith that the true basis of all progress lies in individual effort supplemented by personal and governmental integrity. All that we demand of our legislators is that they refrain from undermining the foundations of commercial life and health by disregarding those eternal principles of morality and justice which no individual or nation may violate with impunity.

THE PRESIDENT: One of the hardest combats we have to contend with in the United States on the sound money question is the question of low prices. We have invited one of the ablest men in the country to be present and discuss the question on economic grounds, and now I have the pleasure of introducing to you Prof. Jeremiah W. Jenks, of Cornell University, who will deliver an address entitled "The Cause or Causes of Low Prices at the Present Time."

(This paper is being revised by the author for exclusive publication in the September number of the MAGAZINE, and will be accompanied by an especially prepared illustrative diagram in colors.)

AFTERNOON SESSION.

THE PRESIDENT: The first paper this afternoon will be an address entitled "A Review of the Act of 1897 in Relation to Negotiable Instruments," by John J. Crawford, Esq., of the New York Bar, and the Law Editor of the BANKERS' MAGAZINE. I may say in introducing Mr. Crawford that he was employed to draft the law.

A REVIEW OF THE ACT OF 1897 IN RELATION TO NEGOTIABLE INSTRUMENTS—ADDRESS BY JOHN J. CRAWFORD.

Mr. President, Ladies and Gentlemen—When I see before me so many gentlemen whose business it is to make loans and discounts, I am reminded of the remark made by one of our State Senators when the Negotiable Instruments Law was in the Judiciary Committee of the Senate. This Senator said, that while he had not had much to do with negotiable instruments in his law practice, he had had a large personal experience with them. You, too, have had such an experience, though in a different way. In your capacity as bankers, and I have no doubt in your individual capacity as well, you belong to that part of the community which some gentlemen who have been doing a good deal of talking of late call the "creditor class;" and it has been your place, not to make negotiable instruments, but to take them. I do not apprehend, however, that you are any the less interested in them. It is usually the man who takes the instrument that is most careful about its provisions; the man who makes it is not so particular about the form, if it only brings the money. I should not be very far wrong, I think, if I were to say that the new law affects you to a greater extent than any other persons in the State. Perhaps this may suggest to you the inquiry, "why were we not consulted about it before it was submitted to the Legislature?" Well, I had nothing to do with that part of the business, and I am not authorized to speak for those who had the matter in charge; but I suspect that they felt this way about it that if an impression should get out that the banks approved the proposed law, and wanted it passed, that that might prevent it from being passed.

Your president has told you something about the origin of the law. Perhaps you will permit me to supplement what he has said on this subject. And first, let me explain more fully about the Commission on Uniformity of Laws. These commissions exist in twenty-seven States; their purpose being to secure uniformity of laws in the different States. They have a national organization, which they call a conference, and this conference meets every year at the place where the American Bar Association holds its annual meeting. At the meeting in 1895, which was held at Detroit, the committee on commercial law was directed to procure to be made a codification of the law of bills and notes; and the matter was referred to a sub-committee, consisting of Judge Lyman D. Brewster, of Connecticut; Mr. Henry C. Willcox, of New York, and Mr. Frank Bergen, of New Jersey. When my draft was completed, it was printed by the sub-committee, and copies sent to each member of the confer-

ence, and to many other lawyers, and suggestions and criticism invited. Copies were also sent to some of the judges and lawyers in England, with a similar request. In August of last year, the conference meet here at the Grand Union, and spent three days in going over the draft, section by section. Possibly you may think this is not the best place in the world to do such work; and no doubt it does require much strength of mind to keep one's attention on negotiable instruments, when one might be so much more agreeably employed. You know that by your own feelings now. But I can testify, however, that the commissioners were very attentive to their duties; for I sat with them through some very long sessions. Well, as I say, the commissioners went over the draft, section by section, and made some amendments, most of which were such changes in the existing laws as I had not felt at liberty to incorporate into the original draft. The draft was then adopted by the conference, and as so adopted it has been passed in New York, Connecticut, Colorado and Florida.

As you probably know, the law will go into effect in New York on the first day of next October; but by its terms it does not apply to any instrument made and delivered prior to its passage, that is to say, the date it became a law by the approval of the Governor, which was the 19th of May. Now, I conceive that the courts will construe these two provisions in this way: They will say that if the instrument has been delivered since the 19th of May, the statute will apply to it after the first of October, though until that time all transactions with respect to it will be governed by the present law. For example, suppose a note dated July 10, and payable four months after date, should be indorsed to you at some time before the first of October as security for the debt of some customer. That transaction would be governed by the present law, and you would not be deemed a holder for value. But suppose this negotiation should take place between the first and the tenth of October, then it would be within the statute, and you would be entitled to all the rights of such a holder. For, as I shall explain hereafter, the statute changes the law in this respect. Again, suppose you hold a demand note delivered after May 19, on which there is an indorser. Until the first of October you may regard that as a continuing security and presentment for payment is not required in order to hold the indorser; but after the first of October, the rule of the statute will apply, that instruments payable on demand must be presented for payment within a reasonable time.

I think you will find that the title of the Act, "The Negotiable Instruments Law," is a fairly accurate one, and that the law is what its title indicates. It relates to negotiable instruments only, and no attempt is made to deal with instruments which are non-negotiable. Now you may ask why this was done, and as non-negotiable notes and drafts are in frequent use, why the law was not extended to them also? In some ways this might have been very desirable. But then you must remember that the first question to be considered was, How much is practicable? This was the first attempt to prepare a codification of the substantive law for adoption in all the States, and there was danger that in seeking to do too much, nothing at all would be accomplished. It was necessary for this very practical and important reason that the proposed law should be confined within certain well-defined limits, and the line which divides instruments that are non-negotiable from all others, afforded the most natural and obvious limitation. Besides, I think something might be said in favor of this view; that it is good policy to confine instruments of commerce to those forms which have been approved by the business world, and the fact that there is in many of the States a uniform law on the subject of instruments which are negotiable might have a tendency to discourage the use of irregular forms.

This point, that the statute is confined to negotiable instruments, is one which you must be careful to bear in mind. To determine whether an instrument is within the statute, so as to be governed by its provisions, you must first ascertain whether it is negotiable according to the terms of the statute. If it is not, then the statutory rules do not apply to it; but it is governed by the rules of the common law. Let me illustrate this: Suppose you have a customer who is indebted to you on an overdraft, or otherwise, and you take from him as security a note made to his order by some third person. Now, if that note is negotiable, you would be deemed a holder for value; for, as I have said, the statute changes the law of New York in this respect. But if the note is non-negotiable, the former rule still applies, and the maker could set up as a defense against you that the note had been diverted, or any other defense that he might have as between himself and the payee. I don't think that you will find it very difficult in the great majority of cases to determine whether the instrument is negotiable. In general, I may say that everything which was negotiable before the statute, is still negotiable, and some provisions which before were thought by some courts to destroy the character of negotiability, are declared not to have that effect.

In order to ascertain the meaning of the statute it will often be necessary for you to read one section in connection with another, or with several others. For example, you will find that by one section it is provided that a certification of a check is equivalent to an acceptance; and in order to learn what liabilities you incur by certifying, you will have to turn to

those sections which prescribe the liabilities of an acceptor. Again, you will find by section 189, that protest is not required except in the case of foreign bills; and you may say, "But how do I know whether it is a foreign bill?" Section 213 will clear up the difficulty for you, for it provides that no bill is deemed to be a foreign bill, unless it appears upon its face to be such, that is to say, unless it appears upon its face to be drawn in one State and payable in another. When you meet with difficulties of this kind, you must do as the girl did about whom I read in "Life" several years ago. This girl was having a conversation with a clergyman, who said to her: "My dear young lady, it is interesting to note what a flood of light one passage of Scripture throws upon another;" and she replied: "Yes, that is quite true. Now, I never could understand how it is that in Heaven there is no marrying or giving in marriage, until I read how hard it is for a rich man to enter there." So, when you are puzzled over any section, if you will turn to some other section, possibly, it may solve the question for you quite as satisfactorily as the passage from St. Matthew solved for this young lady the mystery about matrimony in Heaven.

You will remember that the object was to prepare a law for adoption in all the Sta es. On many points, as you know, the decisions are very conflicting. The courts of one State hold directly the contrary to what is held by the courts of some other State; and those of some third State take a middle ground, and hold differently from either of the others. In such cases a choice had to be made, and the plan followed was this: that where the decisions of the State courts were conflicting, and there was a decision of the Supreme Court of the United States on the point, the rule of that court was adopted. There were two reasons for this: First, because that court is the highest court of the country; and second, because it appeared to be fair to all the States to make the highest Federal court the arbiter, and gave none any just ground of complaint. The only exception to this is the provision as to irregular indorsers, in which case neither the rule of the Supreme Court, nor the New York rule, was adopted; but the rule of the California code, which appeared to be much simpler, and to meet more nearly the requirements of business men. I don't mean to say that it is so in every instance; but you will find, I think, that in the case of all important changes which the statute makes in the law of New York, those changes are supported by decisions of the Supreme Court of the United States.

I have already mentioned the fact that the statute alters the law as respects a holder to whom an instrument is negotiated on account of an antecedent indebtedness. This is the change which lawyers will deem the most important. The statute abolishes the rule of Coddington against Bay, and adopts the rule of Swift against Tyson. I hope that statement is very intelligible to you, especially to the ladies who are present. Perhaps, however, you will permit me to explain a little more fully. You know that in this State an antecedent indebtedness has never been regarded as a valuable consideration, so as to protect the holder against latent equities. This rule was promulgated by Chancellor Kent in Coddington against Bay, which is the leading New York case on the subject. In the Supreme Court of the United States, Justice Story, in the other case I have mentioned, Swift against Tyson, delivered a very elaborate opinion in which he disapproved of the view of Chancellor Kent; and so there has been on this point a sharp conflict between the decisions of the Federal courts and those of the New York courts down to the present day. The rule of the Supreme Court was adopted in this instance, as in others, in accordance with the general plan of which I have spoken. And I think you will agree that it is the better rule in business. If some bank is indebted to you on an overdraft, and remits bills receivable to secure that indebtedness, ought you not to be protected to the same extent as if you had re-discounted them? Indeed, the New York courts have made many fine distinctions to escape from the rule of Coddington against Bay; and it would be impossible to reconcile all the New York cases on the subject. There are some lawyers, no doubt, who will lament that all the subtle learning on the subject should become obsolete; but I do not imagine that this will greatly distress you or any other part of the business community.

I have also referred to a change made in the law as to notes payable on demand. You will remember that it has been the law in this State for many years that a demand note is a continuing security, on which an indorser remains liable until an actual demand, and that the holder is not chargeable with neglect to make such demand within any particular time. But the Negotiable Instruments Law requires that such demand shall be made within a reasonable time. If, therefore, any of you are carrying such notes delivered since May 19, and which are indorsed, you should see that they are presented for payment within a reasonable time after the first of October, or you should get a waiver of presentment from the indorsers.

Another change which the statute makes is in respect to the amount which a holder in due course may recover of the maker, where the title of the party negotiating it to him was defective. Formerly, in this State, he could recover only what he paid for the instrument, but the statute adopts the rule of the Supreme Court of the United States, that he is entitled to enforce the instrument for its full face value, though he may have paid less for it.

I recall that several years ago the bankers of this State were much interested in the question of restrictive indorsements, and possibly you may have some curiosity to know how the matter is affected by the statute. You will find that by Sections 115 and 116, every indorser who indorses without qualification, that is, does not limit his liability by adding the words "without recourse" or other words of similar import, warrants, among other things, "that the instrument is genuine, and in all respects what it purports to be." The provision is very general. The words are "every indorser," and no exception is made in favor of those to whom the instrument has been indorsed restrictively, as, for example, "for collection," and I conceive that the effect is to make them warrantors the same as in any other case. Thus, suppose that a check is indorsed to Bank A for collection, and that Bank A indorses the same, and remits it to Bank B. In such case the indorsement of Bank A is a warranty that the check is in all respects what it purports to be, and if it has been raised, Bank A would be liable for a breach of the warranty. Of course, this rule will not help you in the matter of the exchanges paid through the clearing-house; because it applies only to indorsers; and where the bank to which you have paid a check or draft has not indorsed it, the rule remains as before; and you will still have to provide for such cases by some by-law or regulation of the clearing-house.

The matters I have referred to are the only important changes which the statute has made in the law of this State. There are a few minor changes, but I need not mention them here. In the main, you will find the statute to be merely a compendious statement of the law as it has hitherto existed in this State. But let me interpose here one word of caution. As cases arise with you, you must not rely upon your previous knowledge of the law, or upon what you find in the text books on bills and notes, but you must consult the statute itself: for that, and that only, will be the law.

When I received the invitation of your President to deliver an address at this meeting on the subject of the Negotiable Instruments Law, I felt I had this advantage over all the other speakers—that I should not have to fall back upon myself for any ideas; that if necessary I need only crib from the decisions of the courts; and, as a last resort, might even read the statute to you. Had I done this, you might not have felt about it as the Irishman did about the constitution. This particular Irishman I have in mind was an applicant for admission to citizenship; and when he was asked the customary questions he betrayed the not unusual ignorance of persons in his situation as to the provisions of the constitution, and the judge turned to an Irish lawyer in the court room and said: "Take this man into another room and explain to him what the constitution is." They returned in about half an hour: and when the judge inquired if the applicant understood something of the constitution, the lawyer said: "Yis, yer honor, I've rid it all to him, and he's hoighly plased wid' it."

Now, I cannot expect that you will approve of the Negotiable Instruments Law quite as heartily and emphatically as the Irishman approved of the Federal Constitution; but I hope at least that it will be acceptable to you. But what I meant to say when my Irish friend came into my mind was this—that it would require no unusual fertility of ideas to make a very elaborate address on the subject assigned to me, and if I were to go into it exhaus ively, I should keep you here, or to speak more accurately, I should be talking here, for a long time. I am mindful, however, that I am the last speaker of the session, and that you have some important business to attend to, and I shall detain you for but one word more.

Your president has told you of my connection with this statute, and very naturally, as you may infer, I am somewhat interested in it. And I also feel a sense of responsibility for it; not only for the statute itself, but for the effect that its success or failure may have upon the work of the Commissioners on Uniformity of Laws. They have made this the test; and if it is successful, they will follow it up with similar statutes on other branches of the law. You form a most influential part of the business community. The statute affects you perhaps more than any other class; and your judgment upon it will have great weight. I will assume then to speak on behalf of the Commissioners on Uniformity of Laws and ask that you give it a fair and an impartial trial.

THE PRESIDENT: The next and last matter upon the programme in the way of addresses is a discussion, "What National Legislation is Required to Improve the Business of the Country?" This discussion will be opened by Hon. Stephen M. Griswold, President Union Bank, Brooklyn:

WHAT NATIONAL LEGISLATION IS REQUIRED TO IMPROVE THE BUSINESS OF THE COUNTRY—ADDRESS OF STEPHEN M. GRISWOLD.

It is within the province of this association to criticize and discuss any and all questions of public policy, especially when they relate to the commercial condition of the country. In fact, there is no class of citizens who are so well able to do this as the men who manage our financial institutions. They are more in touch with the people and understand what they

need far better than the average legislator, for his action is largely governed by political consideration.

The past four years has been a period of great trial and strain upon the business community, and I hold that politics has been mainly responsible for this. We have too much legislation, too much politics and too much changing of laws for the purpose of party advantage, to admit of long commercial prosperity at any one time. This must change—relief must come rapidly; the country can bear no further depression. The business interests, weakened by the long fight against adversity, cannot stand another attack.

I take the liberty of offering some practical suggestions upon the question before us and for the consideration of this convention.

In the first place, no great change will come unless it comes from the people. Let us send men to Congress who will not spend most of their time looking after patronage for their friends, or confining their efforts to those measures which affect only their constituents, but men who are large enough and patriotic enough to legislate for the people of the whole nation.

The three great questions which stand in the way of business prosperity are the tariff, the currency and the labor questions. In regard to the first I would appoint a tariff commission of the United States, and pass a law that a revision of the tariff should not take place oftener than once in ten years. A final settlement of the currency question would take place if Congress would pass a law establishing some safe and well-guarded system of National bank note circulation broader or more elastic than the expediency or make-shift currency which we now have.

I would suggest that the labor question troubles could be satisfactorily settled by a national tribunal or commission appointed by the President of the United States with the advice and consent of the Senate, to whom all labor disputes should be referred.

With the settlement of these three questions the revival of industry is near, the future is full of hope, and there is nothing in the way of making this the grandest, the most powerful and the richest nation of the world.

Let us hope that the honesty and patriotism of the American people, the purification of politics, and the blessing of God, will hasten the return of prosperity to us.

THE PRESIDENT: This completes the printed order of our programme. We are very happy in having with us this afternoon the President of the American Bankers' Association, Captain Robert J. Lowry, whom I now have the honor of introducing to you.

ADDRESS of CAPT. ROBERT J. LOWRY.

Mr. President, Gentlemen of the New York State Bankers' Association and Ladies—I have come some 1,200 miles from the Empire State of the South to the great Empire State of our great country to attend this convention of the bankers of New York State.

It is very pleasant to be here, and I assure you when I received the invitation some time ago I was very much afraid I would not be able to attend, and sent my regrets. Later, I found that I could spend one day with you, and I want the secretary to understand that I retract those regrets, and only regret that I did not get here yesterday, and I especially desire to have my name put on the roll as being present on this occasion.

It has been my pleasure to attend bankers' associations all over the country for several years. I have seen the great good they have done in bringing us together, to talk freely over matters that interest us. It has been a much-needed factor in doing away with jealousies and differences that are readily disposed of in meetings of this kind. I know in the last year I attended a meeting of bankers in a city where very few knew one another; they had never met socially and not often otherwise. They sat down at a banquet, talked together, passed a social hour, ate considerable, and, of course, drank a little; they came very much closer together; their business was of a common interest, and the thought of this bank or that bank proselyting their customers was, in a great measure, done away with. They found that they were all pulling to the same end; and the fact is, there is not much difference between us when we come together and discuss all matters freely and fully that are to our common interest.

Now again, about bankers' associations. I think every banker in his State ought to belong to the local organization; they can do much towards shaping good laws—not good laws for us, but good laws for the people. All we want is to stand before the law like other people. When you belong to the State organization, then don't forget to join the national organization. This American Bankers' Association is doing so much good in so many ways for the good of the bankers of America and deserves their support. The fact is, we will have to offer a premium after awhile for a forger or burglar, as we have about rid the country of

those who depredate upon members of our association. Scarcely one of the banks of this association has any trouble in this way now; under our detective department we have rid the country of them. Sometimes we hear of their practice in this line on bankers that are not members, hence the importance of all banks joining and becoming members of our association. The authorities now, both Federal and State, are seeking our advice and consulting with us about proposed laws as to currency and financial affairs generally. We are a coming power for good. Now, this thing of sitting back because we are bankers and saying the Legislature is not going to pass this or that law because banks and bankers are advocating it, is all bosh. We do not want anything but what is right. This is what we demand, and this is what we are going to have, not only in New York and Georgia, but in every State of the Union; good wholesome laws that operate on all alike are what we bankers want—nothing more, nothing less.

At a meeting in Indiana a few months ago of the Monetary Convention, we found several members of the Congressional Finance Committee in attendance; the chairman was there. He acknowledged in a speech that the first thing the average member did when he reached Congress, on his arrival in Washington, was to lay his plans to be re-elected—and that he believed we would had have an acceptable law as to our finances long since but for this reason, and the further reason that it was thought unpopular to pass any law that seemingly did justice even to bankers and other corporations.

The present outlook for the country is bright; prosperity is coming. It is coming in a way that it should come, slowly but surely. Confidence is now being restored. No man can deny this who keeps his eyes open, and who is abreast of the times. Now, in that part of the country that I hail from, we have the best crops that have been known for a long time, and our principal crop—cotton—is that which brings the money as soon as it is ready for the market. The general crops all over the country are reported good, and allow me to add further: there has been so much talk of hard times and close money and some people have gotten so in the habit of talking this way, they cannot at once get over it; but the tune is now being changed.

Some of our friends say that these associations amount to nothing, that we meet and frolic and do no perceptible good. This I deny emphatically. As proof of it take the good that is being done by associations in having uniform laws passed and getting repealed useless ones that are of no good at the present time. Even granting that the meetings are only for fun and frolic, this is necessary for our lives. Isn't it good to frolic and get away sometimes from cares, thinking about bad debts, counting our money and many other troubles with which the banker has to contend.

I noticed in the programme of yesterday's proceedings that the good people of Saratoga gave you a fish dinner at the Lake, which I think is very appropriate, as it is generally believed that fish is a great panacea for an over-worked brain and strengthens its activity. I know something of these fish dinners, and I regret very much I was not present to enjoy it with you. Speaking of fish dinners reminds me that just as I came in the hall I asked a gentleman where I could get some water (knowing that the best water in the world was to be had at Saratoga). He told me he had been here three days and had not tasted it; so I took his advice and drank what he did.

Mr. President and gentlemen, I came more to listen and to learn than to talk myself. I wish to say that I have been very much interested in what I have heard, and I do not believe there is anything more certain than these truthful sayings, that in "union there is strength" and in "organization there is power." Now, let the bankers of this country organize, and we will say to our law-making people, if you do not make good laws, not for us but for all, we will never send you back to represent us again. Let us present a solid front and be not afraid to demand our rights under the law as every other avocation in life is entitled to. We are the custodians of the people's money, we have a mutual interest; and when the people look at it as they should and will, we do not fear the verdict, for we all want the same thing: good wholesome laws, uniform and to operate on all alike.

Really, as you have no doubt discovered, I am not much of a speechmaker. A lady asked me this afternoon if I was going to make a speech. I told her "No, unless she would let me make a speech there to her." I thought I could do that better than attempt to make a speech here, and I know you will agree with me.

Mr. President and gentlemen of the New York State Bankers' Association, I thank you again for the pleasure you have given me in being present on this occasion.

THE PRESIDENT: Reports from committees is the next order of business, and under this head I call for a report from the special committee appointed yesterday, of which Mr. Cannon is chairman.

Report of Special Committee.

James G. Cannon: Mr. President and Gentlemen—The Executive Council of the New York State Bankers' Association in 1896 passed a resolution and appointed a committee to investigate the advisability of a union of all the State banking associations of the United States. That committee, after correspondence with the various State organizations, reported that such a union was highly advisable. The committee also appeared by appointment before the Executive Council of the American Bankers' Association and were given assurances that certain changes were likely to be made in the method of electing members of the Executive Council of that body, whereby the State associations would have representation in the council.

In consequence of these assurances, no further action was taken looking to the formation of a separate organization. In view of the correspondence by this committee, the matter of organization of a Bankers' Association constituted as a delegated body was taken up by a large number of other State associations, but on account of the assurances given to the committee by the Executive Council of the American Bankers' Association, the subject was not pressed further in 1896. The Iowa State Bankers' Association, at its last meeting, passed resolutions asking the co-operation of this and other State associations looking towards a permanent organization.

Your committee believes, however, that it is not advisable to take steps at this time to form such an organization, in view of the fact that the following change in the constitution of the American Bankers' Association has been proposed and will be submitted at the annual meeting to be held in Detroit. (Amend Art. III, Sec. 1 to read as follows):

"The administration of the affairs of the association shall be vested in the president and first vice-president of this association, and one vice-president for each State or Territory which may be represented in this association, and in an executive council, who shall be elected at the annual meeting, and who shall serve until their successors are chosen or appointed. The executive council shall be composed of thirty members, divided into three classes, one-third of whom shall be elected annually. Commencing with the convention of 1898, three members of the executive council shall be chosen from the delegates from the several State Associations of banks and bankers, five in 1897, five in 1898, five in 1899, and thereafter the successors of these three latter groups annually. The president, first vice-president, and treasurer shall also be members *ex-officio*; but no president, nor vice-president, nor retiring member of the executive council shall be eligible for re-election for the period of one year after the expiration of his term of office."

You will notice by this change in the constitution, that the delegates of the various State associations, according to this amendment, are given increased representation in the executive council, and if the amendment referred to is adopted, within a period of two years one-half of the executive council of the American Bankers' Association will be composed of delegates from the State Associations, and the other fifteen members of that body will be elected from the American Bankers' Association proper.

Your committee, therefore, begs to offer the following resolution:

Resolved, That the nine delegates from the New York State Bankers' Association, to the 23d Annual Convention of the American Bankers' Association, to be held at Detroit, be instructed to vote and favor the amendment to the constitution which has been submitted to that body, providing for a larger representation of the State Bankers' Association in the executive council of the American Bankers' Association.

On motion of James H. Tripp, of Marathon, seconded by Charles Adsit, of Hornellsville, the report was adopted.

The President: Is the committee on resolutions ready to report?

Report of Committee on Resolutions.

William C. Cornwell: The committee on resolutions, at the request of President Dexter, took up for consideration the question of adoption by the association of some resolutions on the subject of sound money, and, after deliberate consideration of the subject, the following resolution is hereby recommended to the association for adoption:

Whereas, our Government paper money offers a constant embarrassment to the Treasury, threatening from time to time a safe balance for gold redemption; and

Whereas, We believe it necessary that a system should be devised to correct these defective arrangements which should long ago have been displaced by sound provisions; therefore be it

Resolved, That it is the settled conviction of the members of this convention that all doubt as to our currency should be removed.

Currency is the basis of all business transactions, and unless this basis is sure and unvarying, trade and commerce cannot thrive nor prosperity be assured.

We are consequently in favor of the prompt removal of all existing causes of distrust as to the stability of our currency, and urgently request of our legislators such action as will accomplish this end.

We recommend retirement of all Government paper and that a safe bank currency under Government supervision be substituted. The preliminaries of such action should be prepared on sound economic lines by a commission selected for their eminent qualifications to formulate a plan to be submitted for the consideration of Congress.

Suitable action by our legislators on these lines will encourage trade to flow in its natural channels, the great resources of our country to be developed, and the comfort and cheer which follow upon healthy commercial activity, and which are the birthright of our people, to be speedily restored.

In this expression we speak for the thousands of business men with whose wishes and conclusions we are familiar, by reason of daily intercourse.

We speak also for the great multitude of workers who feel the pressure of hard times in the United States; hard times which are prolonged by inaction in the reform of the currency, and unnecessary because simple changes in our laws, which would immediately remedy our conditions, are not brought about; thus forcing upon our population the evils of a currency created for the exigencies of war but concededly a menace to stability in times of peace,—while other less favored nations are to-day reaping the rewards of a solid prosperity.

We accordingly earnestly demand action on the currency question and solemnly warn our countrymen that safe conditions connot possibly prevail without it.

C. F. Van Inwegen, of Port Jervis, moved that the report be received and the resolution adopted as expressing the views of the association. The motion was seconded by Geo. B. Sloan, of Oswego, and was adopted.

On motion of H. Bernard Coombe, seconded by Bradford Rhodes, the secretary was directed to send a copy of this resolution to the President, the members of the Cabinet, and to the members of Congress.

THE PRESIDENT: Has the committee anything further to report?

FURTHER REPORT OF THE COMMITTEE ON RESOLUTIONS.

WILLIAM C. CORNWELL: The following subjects were referred to the committee: A letter from the People's Bank, of Johnstown, N. Y., relative to legislation on the subject of bankers being allowed to produce in court certified extracts of their book. This was, on motion, duly received, and referred to the council of administration, with power.

A letter of F. B. Schenck, chairman of Group IX, relative to applications for membership in the association of bankers and brokers, was upon motion referred to the council of administration, with power.

A letter from the Chamber of Commerce, of Nashville, Tenn., in reference to the exposition now being held in Nashville, was, upon motion, referred to the incoming secretary of this association for proper acknowledgment expressing the thanks of the association for the courtesy extended and our cordial approval of the exposition.

Relative to the resolution regarding the paper read by Mr. Lyford, the committee recommends the consideration by the council of administration of the following resolution respecting the faults and dangers of the designs of notes now in circulation:

Whereas, the New York State Bankers' Association in convention assembled recognizes the faults and dangers of the present system of issuing a large number of designs of notes for circulation;

Resolved, That the president of the association be and is hereby directed to forward to the Secretary of the Treasury a request that the subject be thoroughly investigated by him and such changes be made as will tend to correct all of the objections to the methods now in use; also that a copy of Mr. Lyford's paper be forwarded to the Secretary.

On motion of W. I. Taber, seconded by Wm. Kemp, the report was accepted and the resolutions adopted.

DAVID CROMWELL, of White Plains: I have a resolution to offer in line with the resolution offered by Mr. Cannon, which I will read:

Resolved, That the delegates from the New York State Bankers' Association to the twenty-third annual convention of the American Bankers' Association, to be held at Detroit, be instructed to favor the amendment to the constitution of the American Bankers' Association submitted by a member of this association, providing that in the nomination of officers the roll of States be called for such nominations.

The resolution was seconded by Peter J. Elting and was adopted.

THE PRESIDENT: Report from the committee on by-laws.

BRADFORD RHODES: On behalf of the committee on by-laws I will ask the secretary to read the report, as he is the framer of the amendments and can explain them better than I can.

REPORT OF THE COMMITTEE ON BY-LAWS.

THE SECRETARY: (Reading) By-laws, Section 1. The annual dues of this association shall be ten dollars ($10) for banks having a capital of $200,000 or less; $15 for banks from $200,000 to $500,000; $20 for banks with a capital of over $500,000 until otherwise ordered. Any application by a private banker for membership shall be first approved by two members of the group he desires to join and passed upon by the executive committee of that group.

Sec. 2. The annual dues of this association shall be considered due on the first day of October of each year in advance.

Sec. 3. It shall be the duty of each member of this association to notify the chairman of the council of administration of any fraud or crime practiced on any bank or banking firm that will be of general interest, and the chairman shall immediately notify each member of the association.

Sec. 4. The annual meeting shall be held at such time and places as shall be determined by the association, which may be changed by the council of administration for good reasons.

Sec. 5. Any member desiring to withdraw from the association must give notice in writing to the chairman of the executive committee of the group of which he is a member at least three months in advance.

Sec. 6. The association shall be composed of eight groups, consisting of members of the association, geographically divided as follows:

Group I. Consisting of the counties of Niagara, Erie, Chautauqua, Orleans, Genesee, Wyoming and Cattaragus.

Group II. Consisting of the counties of Monroe, Livingston, Wayne, Ontario, Yates and Seneca.

Group III. Consisting of the counties of Steuben, Chemung, Tioga, Tompkins, Broome, Schuyler, Allegany and the Juliand Bank of Greene, N. Y.

Group IV. Consisting of the counties of Cortland, Cayuga, Onondaga, Oswego, Jefferson, Madison, St. Lawrence, Oneida, Delaware, Chenango and the following banks: Herkimer Bank, Herkimer, Herkimer County; Farmers & Mechanics' Bank, Fort Plain, Montgomery County.

Group V. Consisting of the counties of Franklin, Clinton, Essex, Warren, Saratoga, Washington, Schoharie, Albany, Greene, Rensselaer, Columbia, Schenectady, Otsego, Fulton and Montgomery and the following banks: First National Bank, Bainbridge, Chenango County; Little Falls National Bank, Little Falls, Herkimer County; First National Bank, Franklin, Delaware County; First National Bank, Oxford, Chenango County.

Group VI. Consisting of the counties of Ulster, Sullivan, Orange, Duchess, Putnam, Rockland and Westchester.

Group VII. Consisting of the counties of Kings, Queens and Suffolk.

Group VIII. Consisting of New York County and Richmond County.

Banks or bankers joining the association shall select the group with which they desire to associate.

Members from one group may be transferred into another upon application of the chairman of the group to which they belong and the approval of the chairman of the group to which they desire to be transferred. Notice of such transfer shall be filed with the secretary and treasurer of the association.

Sec. 7. Each group shall hold at least two meetings each year, and may hold four, at such times and places as each group may determine; provided, however, that one of such meetings, to be called the annual meeting, shall be held not later than December 1. Unless otherwise arranged, the meetings shall be held as follows: Group I, at Buffalo, Group II, at Rochester, Group III, at Elmira, Group IV, at Syracuse, Group V, at Albany, or Troy, Group VI, at Poughkeepsie, or New York, Group VII, at Brooklyn, Group VIII, at New York.

Each group shall elect at its annual meeting a chairman, an executive committee, consisting of five members, a secretary and a treasurer.

Sec. 8. The council of administration shall meet at least twice a year or oftener, subject to the call of the chair. One of such meetings to be held after the annual meetings of the groups, and not later than January 1.

Sec. 9. These by-laws may be amended or altered at any regular meeting of this association by a vote of two-thirds of the members present.

JAMES G. CANNON, of New York: Will you allow me to make a suggestion of a change in the by-laws? I would not mention the names of the banks—just mention the names of the various towns.

THE SECRETARY: But a bank may desire to join some other group. For instance, Utica is divided, but I have taken the liberty of putting it in one group; still they are divided in their request to me. Now if they are not satisfied under this arrangement they can change it. I think you better leave it as it is.

MR. CANNON: I would move as an amendment that the name of the town be mentioned and not the name of any bank as being a member of any one group.

THE PRESIDENT: The amendment would not be in order just at this moment. What is the pleasure of the convention in reference to this report.

GEORGE B. SLOAN, of Oswego: I assume in the absence of any explanation by any delegate on the floor that this report is intended to embrace some proposed amendments to the by-laws, but from hearing the report read I am left a little in the dark about it, and in order to vote intelligently on the question I think it might be well to have a little information as to what part of the by-laws embrace amendments.

THE PRESIDENT: Will the secretary give the information asked for?

THE SECRETARY: The changes are as follows: Old Group VI becomes Group V, and Group IX becomes Group VIII. The Juliand Bank of Greene is transferred to Group III. The First National Bank of Oxford is put in Group IV. The National Bank of Waterville the First National, the Second National, and A. D. Mather & Company's Bank of Utica: the Ogdensburg Bank, Chenango National and the National Bank of Norwich; the Herkimer Bank; the Bank of Gouverneur; the People's Bank of Potsdam; Farmers and Mechanics' of Fort Plain; First National of Canton; First National of Walton; First National of Earlville; First National of Camden and the Farmers' National of Rome are also put in Group IV. The Delaware National of Delhi; First National of Bainbridge; Manufacturers and Merchants' and the Fulton County National of Gloversville; the Johnstown Bank and the People's Bank of Johnstown; the Northville Bank; the Little Falls National; the Farmers' National of Amsterdam; the First National and the Second National of Cooperstown; the Wilber National of Oneonta; the First National of Franklin; the National Central of Cherry Valley; the Utica City National of Utica; the First National of Morris; the Schenevus National of Schenevus and the Canajoharie National of Canajoharie have all been transferred to the present Group V. That absorbs all the groups, and that is one change in the by-laws.

The next change in the by-laws is that the groups shall have a secretary and a treasurer. We have simply added the words "and a treasurer." That was done because it seemed to be too much work upon the secretary of the group. So we decided to have a treasurer to attend to the treasurer's part of the work.

The next change proposed was that banks or bankers joining the association shall select the group with which they desire to associate. That is a new by-law. It may be that some bank in one town would want to belong to one group and another bank in another group might want to change, and so we have made this by-law in order that a bank shall state at the time they join the association what group they desire to be associated with.

"Members from one group may be transferred into another upon application of the executive committee"—it used to read—"and the approval of the executive committee of the group to which they desire to be transferred." We have changed that, and we say that:

"Members from one group may be transferred upon application of the chairman of the group to which they belong and the approval of the chairman of the group to which they desire to be transferred."

We did that to simplify matters, because it sometimes took a great deal of time to get the signatures of the various members of the executive committee.

We also added this:

"Notice of such transfer shall be filed with the treasurer and secretary of the association."

The next change is:

"No person shall hold the same office for two successive years." That means a group office. Then the order of business is the same, with this exception. Before it said "Report of the council of administration." Now we say: "Report of the chairmen of groups."

GEORGE B. SLOAN: I take it that the proposed change in relation to limiting the term of holding office by officers relates entirely to officers of the groups?

THE SECRETARY: Yes, sir.

MR. SLOAN: Because we already have a similar provision applying to officers of the association. If it is the intention to have it apply to group officers, I would suggest whether it would not be better to say, instead of no person, no officer of any group, because there are

already restrictive provisions in reference to officers of the association. I think that would make it more definite.

JAMES G. CANNON: I think that is a good suggestion.

THE SECRETARY: On behalf of the committee I will make that change.

ANTHONY LAMB: I would like to inquire why the time for holding the annual meetings of the groups was not designated as in September. Wouldn't it be well that there should be some definite time stated, or some month at least, in which the groups should hold their annual meetings?

THE SECRETARY: I think the intention is to leave it pretty much with the groups to do as they desire in that matter.

MR. LAMB: As I understand it there is a meeting of the council of administration to be held soon after the annual meetings of the groups, and not later than January first, and it would seem to me that something more definite in regard to the holding of the annual meetings would be desirable.

F. B. SCHENCK, of New York: The previous by-law states that the annual meetings of the groups shall be held prior to September first.

THE SECRETARY: This says that each group shall elect at its annual meeting.

THE PRESIDENT: Gentlemen, what is your pleasure with reference to this report?

MR. SLOAN: I want to disavow any desire to be critical in the matter, and I assume of course that this committee has examined the constitution of the association and that these changes of groups by the adoption of amended by-laws are not in violation of our organic law. I have not looked at the constitution lately, but if the committee have considered that, why, their word is all I want in order to vote to sustain the report of the committee.

THE PRESIDENT: Is there any further discussion of this report?

MR. CANNON: I move that the names of the banks mentioned there be stricken out, and the names of the towns in which they are located be substituted in their stead.

THE PRESIDENT: Is that motion seconded?

JOHN B. DUTCHER, of Pawling: I would like to know if that would not compel all the banks, for instance, in the city of Utica to join one group whether they wanted to or not. As I understand it, some of the banks there desire to join one group and some another. You know it is pretty hard to force people to do what they do not want to do, as I have found out in the course of my life. People are generally stubborn about those things, and I never could force a man to do what he did not want to do.

MR. CANNON: If you cannot do it there is no use in our trying. I withdraw the motion.

MR. DUTCHER: I am much obliged to you.

F. B. SCHENCK: I now move the adoption of the report, with the amendments as made to the by-laws.

THE PRESIDENT: As it now stands, gentlemen, you could not re-elect a single member of the executive committee in a group, and you will find difficulty in some of the smaller groups in getting a new set of officers each year. I would suggest that the amendment ought to apply only to the first three officers of a group.

MR. SCHENCK: I think the suggestion that the chair makes is a good one, that the restriction shall apply only to the chairman of the group, the secretary and treasurer. Make it read. "Group officers, other than members of the executive committee, shall not hold office for more than two years."

THE PRESIDENT: There has been some conflict as to the interpretation of the by-laws heretofore, and as we are amending them now we ought to remove all doubt. In some of the groups it was thought that the executive committee should consist of five members independent of the secretary and chairman, while in other groups the chairman and the secretary were included in the five.

THE SECRETARY: The by-law reads in this way:

"No officer of a group shall hold the office for two successive years."

MR. DUTCHER: I would like to know what the by-law was previously?

THE SECRETARY: There was no by-law on that subject. That is a new by-law.

MR. DUTCHER: Well, what objection is there to a group electing the same chairman or the same secretary if they want to do so? I cannot see any serious objection to it unless all the members of the group are candidates for office. So far as my group is concerned I can say that I would not accept any office; I haven't time to give to it, and doubtless in other groups there are men similarly situated. Besides, in every group there is doubtless some one man who is better qualified to act as chairman or as secretary, and who will devote more time and give greater attention to the work, than any other man in the group. So why not leave it with the groups themselves to determine what they want to do in that respect?

THE SECRETARY: Do you move that this be eliminated?

MR. DUTCHER: I do not make any motion. I only state my individual opinion.

THE SECRETARY: Well, your opinion is right.

MR. DUTCHER: Then I make the motion.

THE PRESIDENT: It is moved that the provision, as reported by the committee which prohibits the re-election, if a group sees proper to re-elect the group officers for a second or a third term, shall be stricken out. Is that seconded?

D. A. AVERY, of Utica: I second it.

F. H. HAMLIN, of Canandaigua: I am opposed to the motion. I do not put it on personal grounds as chairman of a group, but it seems to me desirable not to have the group officers succeed themselves. When you elect a man the second time it gets to be a matter of a little bias and he may have a little feeling if he is not re-elected the third time, I think it is better to have new officers and prohibit their having a second term.

MR. SCHENCK: We have just voted on the recommendation to Mr. Cannon's committee that we shall require of the American Bankers' Association that the officers shall not hold office more than one year, and it is in the constitution that the president of this association shall not hold office more than one year. Why not be consistent and carry it through the group organizations as well. I think we ought not to change the recommendation of the committee.

THE SECRETARY: I have given that matter some thought, and it is just as Mr. Dutcher stated. There are a few men in each group that will do a great deal of work, and sometimes it becomes almost necessary to elect some one man twice, and if you prohibit a man from holding office for more than one term the group is liable to suffer from it, but when the State association proper tries to legislate for the groups they will slip up on it. I can tell you that.

MR. DUTCHER: Perhaps I have been wrongly informed. I never have attended a group meeting. That shows that I haven't very much knowledge about this business. In fact I know more about some other kinds of business than I do about banking. Unless I have been wrongly informed there was a new chairman elected in Group VII. He declined, and did not serve. Am I not right, Mr. Rhodes?

MR. RHODES: He was ill and could not serve.

MR. DUTCHER: And the able chairman who had served the previous year served again. Whether he was re-elected by the group or whether he held over, I do not know. At all events, he was chairman the second year, and he fulfilled the duties of that position perhaps as well as any other man in the group could have done, I don't say any better, because we have some very able men in our group—of course leaving me out. I presume he does not want the office again. I wouldn't vote for him if he did, because I know we have other good men and I think we ought to give some one of them a chance. I do not believe it is policy, however, to prohibit a group from electing the same man twice, still, I am not tenacious about it and I am perfectly willing to withdraw the motion, though if anybody wants to back me up I would like to have him say so; if not, I will withdraw it, though it won't change my opinion about the matter any.

MR. SLOAN: As I remember the conditions existing at the time the movement was commenced to organize the State association there was a very prevalent feeling that it should be organized on popular lines; that there should be rotation in office, so that everybody should have a chance; that there should be no tendency to have the affairs of the association run in ruts and be controlled by a few people one year after another. And one of the greatest safeguards as against any possibility of that kind was thought to be a provision that should prevent any officer holding office more than one term in succession. Now if that was a good rule to apply to the officers of the association I do not see why it is not a good rule to carry down through the groups. It was held—and I believe with good ground—that that plan would stimulate ambition; that different men would like to hold the office of chairman of a group. We are all alike about that in this world. We all have ambition, and we all like to have it gratified. It was believed that the best way to keep the blood active was to have that principle dominate the policy of the association. I therefore hope that this convention will prohibit the holding of an office in a group for more than one term in succession by any officer. Of course, later on, after the lapse of a year or two, if they want to again elect to office a man who has previously held the office, I do not see any objection to it.

MR. DUTCHER: After listening to my distinguished friend Mr. Sloan, I believe I shall have to withdraw my amendment. I think this is one of the cases, perhaps, where his judgment is better than mine, although that won't change my own individual opinion. When called upon to express my own opinion I never fail to do so, although I state it rather bluntly. I shall withdraw the amendment now, deferring to the opinion of my friend from Oswego.

THE PRESIDENT: Now that all amendments have been withdrawn, are you ready for the question? All in favor of the adoption of the report of the committee upon the amended by-laws will manifest it by saying aye; those opposed, no. Adopted.

There are no other committees to report, I believe.

LESTER H. HUMPHREY, of Warsaw: Mr. President, I beg leave to present the following resolution which I was directed to draft by the convention:

"There can be no conflict of interest and should be no feeling of jealousy between the bank and the trust company, but inasmuch as there attaches to the franchise of a trust company practically every money-making function and right that is enjoyed by a bank, along with other privileges not enjoyed by banks; and inasmuch as no sound reason can be advanced for a distinction as to taxation between the holder of the stock of a bank and the holder of the stock of a trust company, and furthermore, inasmuch as it has long been the settled policy of the State to secure equality of taxation of both real and personal property among its inhabitants, both individual and corporate; therefore be it

"*Resolved*, That we favor and urge the passage of a law that will place banks and trust companies on an absolute equality for all purposes of taxation."

The resolution was seconded by Mr. Cannon and was adopted.

THE PRESIDENT: The order of business is the election of officers.

JOHN R. VAN WAGENEN, of Oxford: I rise on a question of privilege, Mr. President, before we proceed to the election of officers. When the resolution relative to the Convention of the American Bankers' Association was adopted there was a very weak response.

Now, I fear there is too much indifference by a good many members of this Association in reference to that organization. I have asked a number of gentlemen whether they were going to Detroit, and in many instances I have received a response which showed an indifference to the work of the American Bankers' Association, and in some cases gentlemen have said that they did not think the work of that Association amounted to very much in a practical way.

I recollect a number of years ago I had the good fortune to be present at the Passion Play at Ober-Ammergau, and after my return I was talking with a lady in regard to it, who said that a near relative of hers, a very distinguished theologian, was very much down on it on account of its being irreverent. I ventured the opinion that he had never seen it. She said that was true. I said: "He is not competent to speak of it, then."

Now, if the majority of the members of this Association have not visited the Convention of the American Bankers' Association they are not competent to criticize the work of that association.

I am in accord with everything connected with the State organization, but I would advise every member of it to also attend the meetings of the National association. It will help every member of this association, and it is courteous to that association to accept its invitation. Further, I will guarantee that every man who will attend a meeting of the American Bankers' Association will return home convinced that it is doing a good work and that they are broader and better men by reason of having been present at the convention. You meet there bankers from all sections of the United States, and the acquaintance and friendship there formed go very far toward neutralizing the friction which we too often see in political matters throughout different sections of the land.

Now, there never has been a good attendance of bankers from the State of New York at any meeting of the American Bankers' Association, and I hope that there will be a change in this respect in the Detroit meeting. I was elected Vice-President of that association from the State of New York two years ago, and if there had been as good an attendance of bankers from this State as there ought to have been I would not have stood the ghost of a chance.

JAMES H. TRIPP: Having taken some interest in the work of the American Bankers' Association, and having attended its conventions, I wish to supplement the remarks just made. That association has undertaken a very great work in which every bank and banker in this country is interested, and that is the apprehending of criminals who make it a business to perpetrate crimes upon banks and

bankers. It is a fact that the members of that association are practically protected from depredations, because bank robbers and forgers are afraid to attempt anything on a member of the American Bankers' Association, for fear of the Pinkertons.

The next convention will be held at Detroit, and as vice-president for the State of New York I invite all the members of this association who have not yet become members of the American Bankers' Association to attend that convention and join the association.

F. C. EDDY, of Syracuse: Mr. President, I would like to say that the auditing committee is ready to report.

THE PRESIDENT: Gentlemen, give your attention to the report of the auditing committee.

MR. EDDY: We have examined the accounts of the treasurer, and the vouchers, and approved the receipts, and we have found everything properly audited and receipted for and vouchers for all the expenditures. We accordingly approve the reports of both the secretary and the treasurer.

THE PRESIDENT: The report of the committee will be accepted and the committee discharged.

The next order of business is the selection of the place for holding the next annual meeting.

JAMES G. CANNON: On behalf of Group IX, which, I think, has enjoyed the generous hospitality of all the other groups more than any one group—

Mr. RHODES: It will be Group VIII next year.

MR. CANNON: Mr. Rhodes reminds me that it is to be Group VIII next year. Then, on behalf of Group VIII, I invite the association to hold its next convention in New York city. Of course, we have not such delightful pastoral surroundings as there are here; no mineral springs; but we have Coney Island, and we have various plac s of interest in the city interesting to visitors, and we can promise you a good time. You need not meet there in the summer time necessarily, but you can put the convention off until the autumn. We will give you a royal welcome and guarantee you a good time.

MR. CARY: In behalf of the bankers of Niagara Falls, I invite the association to hold its next convention there. You have held three meetings in the eastern part of the State and only one in the western part of the State, and that one was the largest meeting the association ever held. I think we gave you a good entertainment the last time, and I promise you an equally good one next year if you will only come there. Niagara Falls is a pleasant place to meet at in the summer time. It has good hotels, and its people are hospitable.

THE SECRETARY: I would announce, gentlemen, that Niagara Falls is in the city of Buffalo.

E. A. GROESBECK: I suggest that the invitation extended to us by Mr. Cannon of New York be accepted, and that the time for holding the next convention be left to the executive committee with power.

J. R. VAN WAGENEN: It occurs to me that I would not like to wear this badge in New York city. You know, there are some terrible people in the metropolis, and I would be met by my nephew with a hand shake and asked for a little temporary loan, and I think the bunco men would have a delightful time with us. All they would have to do would be to walk right up and say, "Why, how are you, Mr. So and So," and I tell you none of us would be safe for a moment. Still, personally, I would like very much to go to New York city.

MR. DUTCHER: I haven't much to say on this question, but I rise to second Mr. Cannon's invitation. I notice some of the ladies in the rear of the hall shake their heads. I am full of gallantry and disposed to do almost anything that the ladies want to have done, but when it comes to a question whether the convention

shall be held in New York or Niagara Falls I am in favor of New York. Talking about bunco steerers, why, if there is any place on earth where there has been more of that business carried on than anywhere else, surely it is at Niagara Falls. We had a good time in Niagara Falls last year. The committee who entertained us there did it in an admirable manner and in a way that reflected credit upon themselves and upon the place; nevertheless, I am decidedly in favor of New York as against Niagara Falls for next year.

MR. JOHNSTON: I move as an amendment that a vote be taken by ballot as to the place of meeting next year.

THE PRESIDENT: I understand you to move that the next convention be held at Niagara Falls, and that a vote be taken by ballot upon that motion. Is that it?

MR. JOHNSTON: Yes, sir.

THE PRESIDENT: Are you ready for that question, gentlemen?

MR. SLOAN: I listened with interest and with a feeling of strong appreciation to the reference made by my friend, Mr. Cannon, to the possibilities of our being royally entertained if we decided to meet next year in the city of New York. I can speak from actual knowledge of the elegant manner in which all who happened to be the guests of the gentlemen who represent Group IX in this body are always entertained, and I can especially speak of the way in which Mr. Cannon, himself, entertains when he undertakes to do so. When he was president of this association many of us had occasion to go to the city of New York in performing our duties as members of the council of administration, and we can testify to the regal manner in which we were entertained. But although this is a body in which the social feature is prominent in promoting its growth and success yet there is one thought that comes into my mind that I cannot forbear expressing inasmuch as it would have a tendency to put me in the attitude of rather opposing the invitation that Mr. Cannon has extended, and that reason is this: I think it will be conceded that it is a good thing for the convention, because it has a tendency to increase the attendance at the meetings to hold our annual gatherings during, to what we are accustomed to consider, our vacation time. That is in the summer, and of course it would not be practicable, because it would not be desirable in any view of it, to think of going to a large city like New York in mid-summer, and if you delayed until the autumn it would necessarily take us into October, when we could not secure so large an attendance. Now this convention ought to seriously consider whether if the time of meeting is changed from July to October it would not have a decided tendency to diminish the attendance, and if that be so it seems to me that it is an unanswerable reason why we should force ourselves very much against our wishes to decline the generous invitation of our friend, Mr. Cannon, and my judgment would be most emphatically in favor of meeting at Niagara Falls.

MR. CANNON: Now I am in the same position Mr. Dutcher was a little while ago. I cannot stand the oratory of my good friend, Senator Sloan, and after what he has said—with the kind permission of the other members of our group—I will withdraw New York from the field and heartily second the motion that we meet next year at Niagara Falls.

MR. DUTCHER: I have done about all the talking I ought to do, but having seconded the suggestion that we meet in New York, in direct opposition to the wishes of all my lady friends in the rear of the hall, because of my friendship for Mr. Cannon and because of my own personal feeling, I wish to say that I cheerfully acquiesce in what he has said, and again defer to the superior knowledge and judgment of my distinguished friend Mr. Sloan.

A vote being taken it was decided that the annual convention in 1898 be held at Niagara Falls, the precise time of meeting to be fixed by the council of administration.

THE PRESIDENT: Now we come to the election of officers.

S. M. GRISWOLD: Before we proceed to the election of officers I desire to make the following motion:

That the thanks of this association be extended to the clergymen of Saratoga who have assisted in the opening of our sessions; to the Mayor of the city, and to the citizens of Saratoga for the cordial manner in which we have been entertained.

MR. SLOAN: I would suggest to Senator Griswold that he include also the Saratoga Club in his motion.

MR. GRISWOLD: I will include that in the motion.

The motion was carried unanimously.

J. R. VAN WAGENEN: I move that a vote of thanks be extended to Prof. Jeremiah W. Jenks, of Cornell University, for his able address delivered to this convention.

MR. CANNON: I second that motion.

THE PRESIDENT: It gives me great pleasure to put the question on this motion. All in favor of the motion will manifest it by saying aye—opposed, no. Carried.

JAMES H. TRIPP: I desire to move that a vote of thanks be extended to Mr. John J. Crawford, of New York, for his address.

MR. ADSIT: I second that motion.

The motion was carried.

MR. RHODES: I move a vote of thanks to the bankers of Saratoga, to the committee of arrangements of which Mr. Cogswell, of Albany, is chairman, for their entertainment of the members of this convention, and also to Messrs. Woolley and Gerrans, of the Grand Union Hotel, for the courtesies they have extended to us.

The motion was seconded by Mr. Cannon and was carried.

Mr. Cornwell moved that a vote of thanks be tendered to Senator Humphrey for his able paper. The motion was seconded by Mr. Cannon and was adopted.

H. B. COOMBE: Last but not least, I think a motion ought to be passed tendering our thanks to the outgoing officers of this association for their work during the year.

Mr. Cannon seconded the motion, which was adopted.

THE PRESIDENT: Gentlemen, I thank you for this expression of your confidence, and in saying this I will state what I would have said on presenting the incoming president. The acquaintances formed during the past year through the hearty cooperation of the chairmen of the groups has been such as to lighten my labors as the chief executive officer of the association, and I am sure whoever occupies this place and comes to it with his heart in his work and with a desire to extend the benefits of this association, will find a hearty response from the bankers of the State everywhere. Now, gentlemen, we will take a recess of five minutes to allow you all to straighten out, and at the same time to allow the delegations here from each of the groups to select their delegates to the American Bankers' Association, and in making that selection I earnestly urge that you will select men from whom you have a pledge that they will attend the meeting. There will be one delegate-at-large to elect, as well.

A recess was then taken, and after re-assembling the president announced that nominations for officers were in order.

G. R. WILLIAMS: I think it would be in order to move a vote of thanks to Superintendent Kilburn for his able and instructive address.

Mr. De Ridder seconded the motion, and it was adopted.

MR. SLOAN: In appreciation of the excellent administration of the officers of this association, gentlemen, I move that the retiring president be elected as the delegate-at-large to the Convention of the American Bankers' Association.

The motion was seconded by Mr. Dutcher, and was carried.

THE PRESIDENT: Now nominations are in order for delegates from each of the groups.

NOMINATION AND ELECTION OF OFFICERS.

Group I. nominated F. E. Johnson, of Niagara Falls.

Group II. nominated George W. Thayer, of Rochester.

Group III. nominated G. R. Williams, of Ithaca.

Group IV. nominated George B. Sloan, of Oswego, with power to appoint his alternate.

Group V. nominated J. H. De Ridder, of Saratoga Springs.

Group VI. nominated T. Ellwood Carpenter, of Mount Kisco, and C. F. Van Inwegen, of Port Jervis, as alternate.

Group VII. nominated Stephen M. Griswold, of Brooklyn.

Group VIII. nominated James G. Cannon, of New York, with power to appoint his own alternate.

The names above presented were selected as delegates to the Detroit Convention of the American Bankers' Association.

BRADFORD RHODES: I move that the delegation elected be empowered to fill any vacancies which may occur in their number.

THE PRESIDENT: If there is no objection it will be so ordered. Now we come to the election of president. The only nomination that has been made is that of Hon. A. B. Hepburn, of New York.

On motion of Mr. Dutcher the secretary was instructed to cast one ballot of the association for A. B. Hepburn as President.

THE PRESIDENT: The secretary reports that one ballot has been cast for president of the association bearing the name of A. B. Hepburn. I therefore declare Mr. Hepburn duly elected president of the New York State Bankers' Association for the ensuing year.

The next office to be filled is that of vice-president for which only one name has been placed in nomination—that of E. A. Groesbeck, of Albany.

On motion of Mr. Barnes the secretary was instructed to cast one ballot for E. A. Groesbeck of Albany, for vice-president for the ensuing year, and he was declared duly elected.

THE PRESIDENT: The next office to be filled is that of treasurer for which Mr. F. W. Barker, of Syracuse, has been nominated.

On motion of Mr. Lamb the secretary was instructed to cast one ballot for F. W. Barker for treasurer, and he was declared elected.

THE PRESIDENT: Two candidates have been placed in nomination for secretary—W. I. Taber, of Herkimer, and Walter E. Frew, of Long Island City.

W. I. TABER: Mr. President and Gentlemen - With full appreciation of the honor conferred upon me by this nomination, and thanking my friends for their hearty support, I beg to withdraw my name and to move that the secretary cast one ballot in favor of Walter E. Frew for secretary of this association.

There being no objection it was so ordered and Walter E. Frew was declared duly elected secretary for the ensuing year.

The Chair appointed Mr. Cannon and Mr. Dutcher as a committee to escort the president-elect to the platform.

The president-elect, A. B. Hepburn, of New York, was then escorted to the platform and received by the retiring president, who introduced him to the convention in the following words:

THE PRESIDENT: Gentlemen—It is with great pleasure that I present to you your new president. And to you, sir, I transfer this symbol of the office of president of the New York State Bankers' Association, and I am rejoiced that one should be called who fills out in every particular the recommendations made in the annual message of the outgoing president. I therefore hand over to you this emblem of your authority, thankful indeed that it finds a resting place for the next year in such efficient hands.

ADDRESS OF PRESIDENT-ELECT A. B. HEPBURN.

Mr. President and Gentlemen—I assure you that it is very gratifying to receive this honor which you have so generously conferred upon me. It is especially pleasing, sir, to receive this gavel at such worthy hands. It was said in the olden time in Parliament that when Burke and Fox and Pitt had spoken silence reigned. No one had the temerity to follow them. During the three years of the existence of our organization, it has been presided over by Cornwell, Cannon and Dexter, who have stood sponsors at the birth and baptism of our association, and to whose ability and devoted energy we are indebted for the success which we to-day celebrate and the triumph which our association has achieved. I call your attention to the fact that we have gotten down now to the lay members, and the success of

our organization in the future depends more and more upon the individual and less upon management.

I beg you to believe that I fully appreciate the honor conferred, and I trust that I realize the duties and responsibilities which go with it. Earnest conviction and earnest effort are the only guarantees of success.

The strength of our association consists in the units, the groups of which it is composed, and the strength of the groups depends upon the energy and attention to the success respectively which their members bestow. Along these lines I pledge you my best endeavors and I bespeak from you that earnest co-operation which you have given in the past and which alone can realize the full measure of success.

We live in a sensational age, in an age of sensational transition. Political and social changes are keeping close tab upon scientific and mechanical development. The close interconnection and inter-communication of the whole world has brought the whole world in close competition. The lower rates of interest, the lower rents, the lower wages and lower prices of commodities in the old world are gradually bringing us down to an approximate standard. In order that we may dispose of our surplus products in the markets of the world, the cost and conditions of production with us must approximate those which obtain in the countries with which we compete, and this fierce competition has enforced and is enforcing the greatest economies in all directions. The principal economy of which we hear at present is the economy found to exist in the consolidation and concentration of business. Hence, the disappearance of the small manufacturer and the concentration of business in commercial centers with their greater facilities for the transportation and distribution of products. Hence the tribulations of the retail dealer and the creation of that modern octopus, the department store, in opposition to which in so many of the legislatures of the country and especially of our State last winter, hostile legislation has been proposed. Hence, this combination, this formation of trusts.

I do not believe that the public are in any danger of unjust prices or unjust exactions from this source. Capital will enter all fields in competition where prices are exorbitant. The history of the lead trust, the starch trust, the cotton oil trust, the cordage trust, and others by their failure have proven this. The only trusts that have or can succeed are those that by the study of economies and by furnishing the public a service at a price which cannot be characterized as unreasonable, will justify their success. Witness the Standard Oil Trust.

While this tendency toward consolidation and aggregation is so pronounced on the part of all kindred industries, the tendency toward segregation seems to be equally pronounced on the part of varying industries—a tendency almost to the disintegration of our business as a harmonious whole. Thus we have one section of our country or its interests arrayed in opposition to that of another, with the resultant political friction, a more or less business antipathy. We have all different industries organized and aggressive looking out for their respective interests at the hands of Congress and legislatures. Witness just now their demand for protection at the hands of Congress regardless of the effect it may have upon the interests of the country as a whole. We have labor organized and militant, by political influence, and the strike seeking to assert its rights and redress its wrongs; and however much the employee may have been at the mercy of the employer in time past it is a fair question whether the time has not arrived when capital is quite as apt to suffer from the wrongful acts of united labor as labor is to suffer from the unjust exactions of capital. It is the province of good citizenship, and I believe, more than all other citizens, the province of bankers, to demonstrate the community and identity of interests of capital and labor and secure to both equal and exact justice.

But with organization the spirit of the age, with every one from the people who control transportation down to the people who make their own transportation upon bicycles, organizing to assert their interest, it is certainly incumbent upon us to cultivate, foster and develop our organization—not for the purpose of asserting any selfish interests, for we have none independent or apart from that of the public. Ten per cent. of the money we handle belongs to our employers, the stockholders. Ninety per cent. belongs to our patrons, the general public of all classes. When the public profits we profit. When any industry languishes our prosperity is impaired. There can be no failure that does not reach into and affect some bank. And while we should not organize for any selfish purpose I believe it to be our duty to do so for the purpose of impressing upon the public sound business principles and sound principles of finance and legislation—principles with which from the nature of our business we ought to be familiar students and competent judges. We ought to associate also, for the purpose of learning better methods which our neighbors may enjoy; for the purpose of a comparison of views with respect to the credit and responsibility of the individual and corporate public with which we have to deal.

The money in our vaults is subject to attacks all the while, not alone from robbers and swindlers, but from people well meaning, though over sanguine, whose schemes come to naught, and also from people who, inspired with a desire to get rich too rapidly, extend

their business beyond their financial ability to protect. The banker who loans to a man engaged in a hazardous enterprise simply adds fuel to the flame, increases the momentum, and adds to the damage done by the inevitable crash which eventually comes, and the lender, the borrower and the public are injured. The banker who loans to a man engaged in legitimate business within conservative limits and enables him to build up a business and furnish employment to others, to create capital and wealth, confers a public favor on the lender, the borrower and the public, and thereby prospers.

Hence, it is of the utmost importance that we make a study of this subject of credit, and that by a comparison of views we protect ourselves by protecting each other, and I trust that each and all of us will give attention to the group meetings, to the meetings of the State association and to the conventions of the National association, to the end that we may cherish these gatherings, realizing as we must and believing as we certainly will come to believe, that among the best fruits to be garnered by these associations are the promotion of good fellowship and the development of a community of interests.

Gentlemen, what is your further pleasure? I am advised that the one affirmative act of the incoming administration is to make an announcement which I am sure will gratify you all, and that is that there is a photographer in waiting anxious to stereotype this group as they pass out.

LEDYARD COGSWELL: On behalf of the committee of arrangements I will announce that there will be a reception this evening in the parlors of this hotel tendered to the newly-elected officers of the association, to which all are invited.

THE SECRETARY: On behalf of the retiring vice-president, treasurer and secretary, and on behalf of the vice-president, treasurer and secretary elect, I would announce that they will hold a reception in the opposite end of the hall with their wives to save time.

THE PRESIDENT: I suppose it will be perfectly permissible for us to go over with the great majority, will it not?

THE SECRETARY: Yes, sir. I also desire to state that Mr. Lund, the leader of the orchestra who, by the way is from Buffalo, has prepared a special programme for this evening. The first number is entitled "The Bankers' Association March;" the second is an overture entitled "The Jolly Robbers," during which the committee of arrangements, headed by the chairman, will march up and down the piazza. The next is a waltz, entitled "The Gold Standard," which Mr. Cornwell will dance.

THE PRESIDENT: Gentlemen, you have heard the announcements of our worthy secretary, and I trust you will give heed to them.

MR. CORNWELL: There is one number on our programme that the secretary did not call attention to—the author of it is Mr. Kennedy, and he wrote it after one o'clock this morning, so you will please excuse him.

On motion of James G. Cannon, the association adjourned *sine die*.

NEW YORK STATE BANKERS

A Saratoga banker, whose wealth was very great,
Unto a fair young maiden his tale of love did state.
He told her of his discounts, his balances and loans,
Of the broad ancestral acres his ancient family owns.
Of the deep, abiding love his throbbing heart did feel;
She listened not, until he promised her a '97 wheel.

NEW YORK STATE BANKERS

ALONZO B. HEPBURN, *President.*

The new President of the New York State Bankers' Association, Hon. A. B. Hepburn, ex-Comptroller of the Currency, and Vice-President of the National City Bank, of New York, was born in Colton, N. Y., July 24, 1846.

He entered Middlebury College in the class of 1871. His first public office was that of School Commissioner in St. Lawrence county, which position he held for three and one-half years, resigning to take his seat in the New York Assembly January 1, 1875. He was re-elected for five successive years, during which period he served on the committees on railroads, insurance, judiciary, ways and means, and other important committees, devoting his attention to commercial and financial interests rather than politics. He introduced, among other important measures, and secured the passage of the law making life insurance policies non-forfeitable after the payment of three annual premiums, and requiring the companies upon application to issue paid-up insurance to an amount which the surrender value of the policy would purchase at regular rates.

He was Chairman of the Railroad Investigation Commission, created at the instance of the Chamber of Commerce of the city of New York, took over six thousand pages of testimony, and reported to the Legislature several important measures which became laws—among them the Act creating the present Railroad Commission, an Act regulating the use of proxies, and an Act defining and regulating annual reports, compelling a continuous balance sheet. Prior to this Act the railroad reports had been a source of confusion rather than of information to an investigator.

In April, 1880, he was appointed Superintendent of the Banking Department of the State of New York, and held the position something over three years. The Savings banks, trust companies and State banks enjoyed a marked degree of prosperity during Mr. Hepburn's administration, evidenced by increase of resources, reserve and surplus profits, and number of institutions reporting. There was no failure of any institution in New York city or Brooklyn, no trust company or Savings bank, and only two discount banks of minor importance.

In June, 1889, he was appointed National Bank Examiner for the cities of New York and Brooklyn by Comptroller Lacey and the late Secretary Windom, from which position he was promoted by President Harrison to be Comptroller of the Currency. As bank examiner he was discreet as well as thorough. Mr. Hepburn resigned as Comptroller upon the advent of the Cleveland administration, and became President of the Third National Bank, of New York city. Upon the liquidation of this bank and the consolidation of its business with the National City Bank, Mr. Hepburn became vice-president of the latter institution. It is the largest commercial bank in the United States, its deposits exceeding $58,000,000.

Mr. Hepburn holds a deservedly high rank among the financiers of the United States, and his force of character and modest disposition have won him many friends not only in New York State but throughout the country. An increase in the membership and efficiency of the association may be expected under his administration.

EDWARD A. GROESBECK, *Vice-President.*

Edward Anson Groesbeck was born at Lansingburg, N. Y., and is a descendant of Claase Jacobse Groesbeck, of Rotterdam, Holland, who settled in Albany in 1662.

His education was obtained in the public schools, and at the Lansingburg Academy and the Troy University.

He commenced his banking career as a clerk in the Farmers' Bank, Lansingburg, and in 1864 was appointed money clerk in the National Commercial Bank, of Albany. He was successively promoted to the various positions of discount clerk, receiving teller, paying teller, Assistant Cashier, and on April 30, 1873, he was made Cashier, and has now held the office for nearly twenty-five years—the longest term of any officer during the seventy years' existence of the bank.

Mr. Groesbeck comes of a banking family. His father, Anson Groesbeck, was Cashier of the Farmers' Bank, of Lansingburg, and his brother, William C. Groesbeck is Cashier of the bank of D. Powers & Sons, Lansingburg; another brother, Leonard H. Groesbeck, is Cashier of the Third National Bank, Syracuse.

Besides his banking interests, Mr. Groesbeck is identified with many social and benevolent institutions. He is a member of the Fort Orange Club, of Albany, and of the Holland Society; is president of the Albany Home School for the Oral Instruction of the Deaf; a trustee of the Albany Young Men's Christian Association, in which work he is active, especially in the junior department, being a member of the State committee on junior work.

Mr. Groesbeck is a director of the Park Bank, of Albany, and other local institutions.

The National Commercial Bank, of Albany, of which Mr. Groesbeck is Cashier, is an old established institution, strong and prosperous. It has $300,000 capital, $700,000 surplus, and $82,000 profits, while its deposits exceed $8,000,000.

WALTER E. FREW, *Secretary.*

Heretofore the association has been especially fortunate in its selection of gentlemen to fill this office, which is by no means an unimportant one. Mr. Frew will make a most efficient officer, for he is not only a good banker but a live worker, and popular in banking circles. He is president of Group VIII (now Group VII, under the amended by-laws), and is also President of the Queens County Bank, Long Island City.

Mr. Frew has given considerable attention to plans for clearing the checks of country banks. This is a matter that has frequently been discussed at the various meetings of the association. At the Niagara Falls convention Mr. Frew expressed the opinion that such an arrangement is practicable, and cited the experience of the banks of Long Island, outside of Brooklyn, which already have a system of clearings in operation in a small way.

As chairman of the Long Island group, Mr. Frew has done much to advance the work of the State association.

FREDERICK W. BARKER, *Treasurer.*

Mr. Barker was born in Syracuse, N. Y., December 3, 1851. He received a good education, but anxiety to enter upon an active business life induced him to leave college before completing the prescribed course.

His first business experience began in 1869 with a firm of millers and grain dealers. He learned the business thoroughly, at the same time giving especial attention to the study of book-keeping and general accounting. The firm could not withstand the hard times following the panic of 1873, and in 1876 Mr. Barker was thrown entirely on his own resources.

At that time James J. Belden, now President of the Robert Gere Bank, Syracuse, engaged him temporarily.

In 1880 Mr. Belden and his brother organized the Robert Gere Bank, making Mr. Barker the Cashier, which position he has held ever since.

The bank started with a capital of $100,000, and allowed profits to accumulate until it had a surplus of $200,000, and then began paying dividends each year.

Mr. Barker has served in various capacities, as Secretary and Treasurer of different corporations, Receiver and Trustee, but his best efforts have been devoted to the business of banking. He was a member of the original committee which undertook the organization of the New York State Bankers' Association.

The World's Gold Product.—The Director of the Mint estimates the gold production of the world for 1896 to have been $205,000,000, of which sum the United States contributed over $53,000,000. For 1897 it is believed the world's gold product will reach at least $240,000,000, an increase of $35,000,000 over 1896. As an indication of the increase in the world's gold product for 1897, the following table, showing the product of the United States, Australia, South Africa, Russia, Mexico, British India, and Canada for 1896, and the probable output of these countries for 1897, is given:

	1896.	1897.	*Increase.*
United States	$53,000,000	$60,000,000	$7,000,000
Australia	46,250,000	52,550,000	6,300,000
South Africa	44,000,000	56,000,000	12,000,000
Russia	22,000,000	25,000,000	3,000,000
Mexico	7,000,000	9,000,000	2,000,000
British India	5,800,000	7,000,000	1,200,000
Canada	2,800,000	10,000,000	7,200,000
Totals	$180,850,000	$219,550,000	$38,700,000

That the world's gold product will continue to increase for a number of years to come is self-evident, as new mines will be opened up in all parts of the world, and with the improved appliances and methods for extracting the gold contained in the ores, it is believed that by the close of the present century the world's gold product will exceed $300,000,000.

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT AND PROSPECTIVE MEETINGS.

WISCONSIN BANKERS' ASSOCIATION.

The fifth annual convention of the Wisconsin Bankers' Association met at Waukesha, the Saratoga of that State, on July 8. Most of the time during the first day was occupied in drives about the city, listening to concerts, etc. In the evening the proceedings were opened at the Casino, Rev. P. S. Everett making the opening prayer, and Mayor H. M. Enos the address of welcome. J. W. P. Lombard, vice-president, responded on behalf of the association.

J. Laurence Laughlin, Professor of Economics in the University of Chicago, delivered a highly-interesting lecture on "Some Practical Aspects of Socialism."

The second day of the convention opened at the court house, Friday, July 9. President A. J. Frame, who is also President of the Waukesha National Bank, read a paper on the topic "Can the Severity of Panics Be Ameliorated." He said that the severity of these financial upheavals could be lessened by the enactment and rigid enforcement of good banking laws in all the States. "Good banks," he said, "ought to court investigation, and the people should insist on rigid investigation of all banks to weed out insolvents."

President Frame also proposed a plan for issuing an emergency circulation by the United States Treasury, the notes to be a legal tender, to be based on security deposited by the clearing-houses, and to be compulsorily retired four months from the date of issue.

THE MAGAZINE expects to publish Mr. Frame's paper in full in a later number.

Chas. F. Pullen, secretary, presented his report, showing a membership of 166 out of a total of 835 banks in the State.

Treasurer M. B. Greenwood's report showed receipts for the year, $1,760; disbursements, $840; balance, $920.

B. B. Northrop, Cashier of the Merchants' National Bank, Racine, made a valuable address on "Uniformity of Methods and Customs in Banking."

M. B. Greenwood, Cashier of the Batavian Bank, La Crosse, commended the form of customers' statements adopted some time ago by the New York State Bankers' Association.

W. K. Coffin, Cashier of the Eau Claire National Bank, Eau Claire, spoke on the topic "Interest on Deposits." He referred to the former custom in his city, Eau Claire, of not paying interest on deposits which was departed from a few years ago when it was found that the business that belonged naturally to that city was being diverted to neighboring banks. He deprecated the fact and said he believed it was the duty of bankers to stand together and look more to the interest of the business.

J. M. Holley, Cashier of the State Bank of La Crosse, spoke on the practice of cutting rates of exchange. He said a fair exchange was the right basis for every transaction. The little things were the things that were robbing the bankers of their profits. "Bidding for accounts," he said, "is a bad practice. We should not

do anything that renders accounts of no value to us. Bankers should unite in every town and adopt plans and stick to them. Whatever in the end tends to detract from the honor of banking will eventually swamp its profits."

Delegates to the Detroit convention of the American Bankers' Association were chosen as follows:

W. S. Reynolds, Cashier Iron Exchange Bank, Hurley; W. K. Coffin, Cashier Eau Claire National Bank, Eau Claire; John J. Sherman, Cashier Citizens' National Bank, Appleton; J. K. Ilsley, Cashier Marshall & Ilsley Bank, Milwaukee.

Resolutions were adopted on various topics, supporting the President in his purpose to appoint a commission for revising the currency and banking laws, thanking the citizens of Waukesha for the hospitable entertainment accorded the members of the association, and especially the president of the association. Thanks were also extended to the retiring officers.

Officers chosen for the ensuing year are:

President—W. K. Coffin, Cashier Eau Claire National Bank, Eau Claire.

Vice-President—John Johnston, Cashier Wisconsin Marine and Fire Insurance Co. Bank, Milwaukee.

Treasurer—Fred P. Meyer, Cashier the Meyer-Showalter State Bank, Lancaster.

Secretary—Geo. W. Strohmeyer, Cashier Milwaukee National Bank.

Executive Committee—Theo. R. Frentz, Cashier German-American Bank, Oshkosh; M. T. Alverson, Cashier City Bank of Portage; Grant Fitch, Cashier National Exchange Bank, Milwaukee.

A communication from the Iowa Bankers' Association was presented urging the Wisconsin bankers to join in forming a new national association, to which the secretary was directed to return answer that the Wisconsin association did not approve of the movement.

The New York State Bankers' Association sent greetings to the Wisconsin bankers in convention and the secretary was directed to acknowledge the same and extend the greeting of the Wisconsin bankers on the occasion of the former's meeting, July 15.

Pleasing incidents of the closing day were a trip over the Waukesha Beach Railroad, a steamer ride on Pewaukee Lake, and a banquet in the evening at Fountain Spring House. Toasts were responded to as follows:

"The Prosperity of Banks Insures the Prosperity of the People."—Hon. T. E. Ryan, Waukesha.

"The New Bank Law."—Hon. M. G. Jeffris, Janesville.

"The Experience of Sweden on a Copper Basis."—Robert Shiells, Neenah.

"The Country Banker."—F. P. Meyer, Lancaster.

"The State of Wisconsin."—Gov. Edw. Scofield, Madison.

"The Unknown in Banking."—F. G. Bigelow, Milwaukee.

"Alex. Hamilton and Thos. H. Benton."—Hon. E. W. Chafin, Waukesha.

Governor Scofield said:

I consider it an honor, I assure you, to be invited to address you upon an occasion of this kind. I have always had a high regard for the bankers of the country, but the history of the past few years has elevated them still more in my estimation. The stand taken, almost unanimously, by the banking interests last year on the side of a wise financial policy and national honesty—though the motives which prompted it may have been in part, at least, selfish—could not but commend them to the respect and confidence of intelligent people. My respect for bankers is increased, too, whenever I think of the enormous responsibility resting upon them. I am not here merely to speak in terms of adulation of your profession, but it seems to me that no intelligent man can give fair consideration to the duties and responsibilities resting upon bankers without feeling a profound respect for the men upon whose shoulders rests in large measure the financial integrity of the country. There is no department of business activity wherein the responsibilities and opportunities are so great. It is your privilege and your duty to educate the people to a high standard of commercial honor.

It is also your privilege and duty to wisely guide the ambitious activity of the age into safe channels and away from the dangers of inflation and unhealthy speculation. It should not be possible for this country to pass through another period of financial distress such as that which began in 1893; but, whether it will or not, depends largely upon the bankers. Not alone self-interest, but the higher demands of the general welfare call upon you to so direct and control business activity as to make impossible another such calamity. I cannot but think that the inflation of real estate values, which always precedes serious financial disturbances and which was manifest to a marked degree before the last reaction, might be controlled, if not practically prevented, by the adoption of a wise, uniform policy by the banks.

What I have referred to has to do with the practical duties of banking, but beyond this there are obligations resting upon the bankers of this country which must be met. There are two important reforms which, it seems to me, must be brought about. As they cannot be accomplished without the aid of the bankers, the obligation to compass them rests chiefly upon the bankers. There must, in the near future, be devised some plan to increase the security of bank depositors. There is no just reason why bank depositors should be less secure than the other creditors of the bank, the holders of bank notes. It seems to me that it is within the possibilities to devise such a plan. Certainly, its desirability in view of the banking history of the country will not be questioned.

Another reform necessary is in the financial system of the general Government. We can never feel ourselves to be on a safe and satisfactory financial basis so long as the Government has out an enormous amount of demand obligations inviting inopportune demands whenever there is the slightest depression in any of the financial centers of the world. I am not a doctor of finance and cannot prescribe remedies for the evils indicated, but it is very clear to me that the system which subjects either individual banks or the National treasury to frequent "runs" and consequent disaster, should not be perpetuated beyond the time necessary to properly change it.

The same wise self-interest and patriotism which prompted the bankers of New York city to devise the combined reserve p an for protecting themselves from disaster can, I believe, if applied, evolve a more businesslike system ot national finance and also discover some safe and wise means for placing bank creditors on an equal footing of absolute security. Knowing the banking interests of our own State as I do, I am justified in hoping that to Wisconsin may come the honor of being one of the foremost States in bringing about these necessary reforms.

MINNESOTA BANKERS' ASSOCIATION.

The eighth annual convention of the Minnesota Bankers' Association was held at Duluth, July 15 and 16.

After a speech of welcome by W. W. Billson, of Duluth, the president's annual address was read by J F. R. Foss. Vice-President of the Nicollet National Bank, Minneapolis. In commenting on the taxation of banks President Foss said that while there was no doubt that the banks are taxed more heavily than other kinds of property, there seemed to be a lack of united efforts among the bankers to secure relief.

Secretary George H. Prince, Assistant Cashier of the Merchants' National Bank, St. Paul, read his report showing a membership of 111 out of 448 banks in the State.

"Retiring the Greenbacks" was discussed by C. M. Hertig, President of the Merchants' National Bank, St. Cloud. He thought that the effort to retire these notes would not be successful.

T. R. Flynn, National bank examiner, spoke on "Lessons the Times Should Teach."

Pleasant features of the convention were a steamboat ride around the harbor, a drive about the city and boulevard, and a reception at the Kitchi Gammi Club, tendered by the Duluth bankers.

Officers for the ensuing year were elected as follows:

President—D. A. Montfort, President Second National Bank, St Paul.

Vice-President—H. D Brown, President Albert Lea National Bank, Albert Lea.

Treasurer—Geo. H. Prince, Assistant Cashier Merchants' National Bank, St. Paul.

Secretary—Charles W. Folds. Northwestern National Bank, Minneapolis.

Executive Council—Walter Hurlbut, Vice-President and Cashier First National Bank, Rochester; J. F. R. Foss, Vice-President Nicollet National Bank, Minneapolis; L. Whitmore, Cashier First National Bank, Wabasha; F. H. Wellcome, President Yellow Medicine County Bank, Granite Falls; Cliff W. Gress, Cashier Citizens' Bank, Cannon Falls; A. C. Anderson, Cashier St. Paul National Bank, St. Paul; A. A. Crane, Assistant Cashier National Bank of Commerce, Minneapolis; Chas F. Leland, President Commercial Bank, Duluth; J. W. Wheeler, Cashier First National Bank, Crookston.

Delegates to Convention of American Bankers' Association—Geo. H. Prince, Assistant Cashier Merchants' National Bank, St. Paul; S. McKennan, Cashier Bank of Marshall, Marshall; James C. Hunter, Cashier American Exchange Bank, Duluth.

Group VIII, New York State Bankers' Association.

The mid-summer meeting of Group VIII, of the New York State Bankers' Association, (Group VII under the new by-laws) was held at Huntington, Long Island, August 4.

The visitors were met at the Huntington station by a committee composed of Messrs. James M. Brush, President; Douglass Conklin, Cashier, and Joseph Irwin, of the Bank of Huntington; and special cars conveyed them to the residence of Mr. Brush, where the ladies were received and entertained by the wives of the directors of the Bank of Huntington, including Mrs. James M. Brush, Mrs. George F. Barr, Mrs. Joseph Irwin, Mrs. Edward Carll, Mrs. Henry F. Sammis, Mrs. Douglass Conklin, Mrs. O. S. Sammis and Mrs. Henry S. Brush. Walter E. Frew, President of the Queens County Bank, presided at the meeting of the group at the opera house. Secretary Frank Jenkins called the roll and read the minutes of the last meeting and of a special meeting. President John G. Jenkins, of the First National Bank, Brooklyn, spoke on the present system of taxing trust companies and State and National banks.

A motion was passed authorizing the printing of cards containing resolutions in regard to the "accounts closed for cause," passed at the last meeting, and that these be sent to the Cashiers of the various banks to be hung up for continual reference. A motion made by Henry F. Sammis, a director of the Bank of Huntington, that the chair appoint a committee of five to consider the matter of the protection of country banks in case of a stringency in the money market, was passed.

Mr. Sammis, in a few words of cordial welcome, extended the hospitality of Huntington to Group VIII, the thanks on behalf of the group being expressed by President Frew.

At the close of the business meeting the members and visitors were conveyed to the harbor, where they boarded the steamer Huntington and enjoyed a sail across Huntington harbor and bay to Locust Grove. Music on the boat going and returning and during the dinner was furnished by Smith's orchestra. Upon their arrival a shore dinner was served by Mr. Mitchell, proprietor of the grove, the dining-hall being prettily screened with foliage.

After dinner addresses were made by Joseph C. Hendrix, ex-Postmaster of Brooklyn, and President of Union National Bank of New York city, upon the protective work of the American Bankers' Association; Stephen M. Griswold, of the Union Bank, Brooklyn, upon the formation, work and good of the State Bankers' Association; Bradford Rhodes, editor of the BANKERS' MAGAZINE, on the subject of equalizing the taxation of banks and trust companies; William Cullen Bryant, fire commissioner of Brooklyn, to the women present and the hosts; John G. Jenkins, of the First National Bank of Brooklyn, describing the probable future of Huntington. A response in behalf of Huntington was made by Henry F. Sammis.

On the return trip a run was made up into Northport Harbor to Northport village before returning to the wharf whence they were conveyed to Huntington station in time for the evening train to the city.

State Bankers' Associations—Future Conventions.

ILLINOIS STATE BANKERS' ASSOCIATION.—The next annual meeting will be held at Peoria, Wednesday and Thursday, October 20 and 21.

KENTUCKY BANKERS' ASSOCIATION.—Frankfort, Ky., October (date to be fixed).

OHIO STATE BANKERS' ASSOCIATION.—This year's convention will be held at Toledo, on Wednesday and Thursday, September 15 and 16. The programme has not been officially announced.

PENNSYLVANIA BANKERS' ASSOCIATION.—Williamsport, October 6 and 7.

OPEN LETTERS FROM BANKERS.

AN INTERCHANGE OF OPINION BY READERS OF THE MAGAZINE.

COMMENDS THE FOWLER BILL.

Editor Bankers' Magazine:

SIR:—Being deeply interested in the cause of sound money here in Missouri, and the country generally as well, and giving my best efforts and time to the support of the cause, and firmly believing that there is much in the present system of our Government's financial policy that is bad, it has been my earnest endeavor to ascertain the best and quickest means of relief, and after careful consideration of many of the different plans and methods suggested by different persons, I have come to the final conclusion that the bill, in connection with the speech, introduced by Hon. Charles N. Fowler, of New Jersey, in the National House of Representatives at Washington on March 31 last, is "the one thing needful" to effect a solution of this most complex question, that all followers of sound currency, and monetary reform can agree upon. My own opinion is, that for this or any other proposed bill for the relief of the present policy of the Government, it is absolutely necessary that all the followers of the different sound money organizations shall unite and use their combined efforts towards the final passage of some specific measure.

I feel that the proposed bill of Mr. Fowler's cannot help but appeal to the intelligence of every patriotic man, who has the best interests of his country at heart, as one of the most complete and effective means of putting this country on a solid foundation financially without any of the panics or financial scares usually following legislation of this kind.

I have taken occasion to distribute Mr. Fowler's bill among the best commercial people in this part of Missouri, and I am very happy to say it has met with the universal approval of them all.

FRANK W. BAKER.

ST. JOSEPH, MO.

Another correspondent writes as follows on the same subject:

Editor Bankers' Magazine:

SIR:—According to the Actuary of the Treasury Department it has cost the United States Government over three hundred and thirty-three millions of dollars to uphold the greenback since 1879, or an average of more than twenty-one millions of dollars per annum. By the plan proposed in the Fowler currency bill there will be a saving in the funding of the national debt of twelve millions of dollars, making an annual gain, should the maintenance of the gold standard be thrown upon the banks, of thirty-three millions of dollars.

That the banks can maintain gold payments there can be no possible doubt, as the exports of gold could in no case exceed a legitimate sale of that commodity, for whenever the reserves seem to be running low the clearing-house banks in New York would at once raise the rate of interest and stop the outflow, a means that is not available to the United States, for the slightest charge made by the Government would amount to repudiation.

Again, the fact that the Government ultimately redeems the notes of the banks out of a guarantee fund created by a tax upon circulation or the assets of the banks, falling upon which the Government has a lien to recoup itself for the redemption of the notes, brings the whole seven billions of liquid assets now held by the banks between the Government and the maintenance of our standard of value. Add to this obligation of maintaining the gold standard the additional duty upon the part of the banks to insure all depositors in National banks against loss, and the net gain to the Government and the people will be enormous, far outstripping the value of the right of note issue. The Government will be a gainer of more than thirty-three millions every year; the banks will secure the privilege of issuing credit notes, and as a consideration therefor will relieve the Government of this interest charge of thirty-three millions per annum, and in addition insure the people of the United States who are depositors in National banks absolutely against loss.

BANKER.

GALVESTON, TEXAS, July 30.

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—The banking house of James G. King's Sons, of 53 William street, founded by James G. King in 1815, is going out of business. In former years it did a large business, but had not been doing much lately. Messrs. Baring, Magoun & Co. will look after the remaining interests of the firm.

—There is a pronounced feeling among the banks of the city that the bad conditions following the 1893 panic are rapidly passing away, and that the business outlook is now more favorable than at any time during the past four years.

— H. G. Allis, formerly President of the First National Bank, Little Rock, Ark., which failed in 1894, was recently released from the Kings County Penitentiary, Brooklyn, where he was serving a five years' term for violating the banking laws. A pardon was granted him by the President.

—The Chase National Bank is now reported as the principal New York correspondent of the banking department of the United States Trust Co., Baltimore.

—Vermilye & Co. and Kuhn, Loeb & Co. recently paid $10,647,351 for the new issue of New York city 3½ per cent. bonds.

—Late additional deposits of gold in the clearing-house vaults bring the total amount up to $55,785,000.

—Edward R. Thomas, son of Gen. Samuel Thomas, and Edwin M. Post have formed a partnership to transact a general banking and brokerage business, with offices at 7 Wall street. Mr. Thomas is a member of the Stock Exchange.

—The Audit Company has been organized to do a general accounting and examination business. Thos. L. Greene, Auditor of the Manhattan Trust Company, is the General Manager. Its directory is composed of men of very high financial standing.

—Frank C. Mayhew, formerly Cashier of the Bowery Bank, has been elected President to succeed William E. Clarke.

—E. R. Carter, sentenced in 1895 to six and one-half years' imprisonment for embezzling $30,000 from a New York bank, was recently pardoned by President McKinley.

NEW ENGLAND STATES.

Local Bonds Purchased.—The town of Ridgefield, Conn., has awarded the $25,000 3½ per cent. twenty to thirty year funding coupon gold bonds to the City Savings Bank of Meriden at 100.133, and $10,000 to the Ridgefield Savings Bank.

Hartford, Conn.—At a meeting of the stockholders of the Mercantile National Bank, on July 20, it was unanimously voted to place the bank in liquidation on August 2, and action to that effect has been taken. The bank was organized in 1854.

College President Resigns.—E. Benjamin Andrews, President of Brown University, and a distinguished advocate of bimetallism, has resigned owing to dissatisfaction with his views on the silver question on the part of the trustees of the University. His resignation has caused wide discussion.

Boston.—A banquet was given by the merchants and bankers of the city on July 27, the principal guest being Hon. Lyman J. Gage, Secretary of the Treasury. In his address Secretary Gage said that under present conditions there was no pressing need for haste in regard to financial legislation; he thought that in due time Congress would enact such legislation as the business interests desired, but a concentration of public opinion in regard to what legislation is necessary was an essential preliminary to such legislation.

MIDDLE STATES.

Philadelphia.—In the brief biographical sketch of Mr. R. H. Rushton, published on page 71 of the July MAGAZINE, in stating that he had been Cashier of the Fourth Street National Bank from its organization, the fact should have been stated that in May, 1896, he was elected Vice-President, continuing also to hold the position of Cashier.

— The Equitable Trust Co. has removed from 624 Chestnut street to its new offices in the Betz Building, Broad street, above Chestnut.

New Bank in Maryland.—A certificate of incorporation has been granted to the Miners and Merchants' Bank, of Lonaconing, Md.; capital stock, $50,000.

New National Bank.—The People's National Bank, Waynesburg, Pa., has completed its organization and will open for business on September 1.

Pennsylvania Bankers Meet.—A meeting of Group III of the Pennsylvania Bankers' Association was held at Wilkes-Barre, July 21, about fifty banks being represented.

Jersey City, N. J.—The Bergen Trust Company is being organized in this city with $100,000 capital.

—The People's Safe Deposit and Trust Co., organized a little more than a year ago with $100,000 capital, has completed and now occupies its new building at Central Avenue and Hutton St. Its deposits are about $500,000.

Bank Capital Reduced.—The First National Bank, of Dover, Del., whose absconding teller, William N. Boggs, is a defaulter to the amount of $197,000, has reduced its capital from $100,000 to $50,000.

Bankers in Convention.—The business session of groups VIII and IX of the Pennsylvania Bankers' Association, was held at Cresson, July 25. T. P. Day acted as chairman. An address of welcome was delivered by Alvin Evans, of Ebensburg. C. F. Dean, of Pittsburg, delivered an address on "General Banking Laws and Kindred Subjects." S. M. Bailey, of Pittsburg, talked on "Warehouse Storage Receipts as Collateral," and Congressman Hicks delivered an address on the "National Currency Question." One hundred and ten members of the association were present. S. R. Shumaker of Huntingdon is chairman and D. S. Kloss of Tyrone, secretary of Group VI; Charles McKnight of Pittsburg is chairman and R. J. Stoney, Jr., of Pittsburg secretary of Group VIII.

New York Savings Banks.—The report of Superintendent Kilburn, on the condition of the Savings banks in the State of New York for the year ending June 30, shows increases in the total resources, the amount of money due depositors and in the amount of surplus funds.

The statistics compared with those of last year are: Total resources, $839,671,920; increase, $32,920,473; amount due depositors, $741,474,845; increase, $26,441,946; decrease, $47,980; surplus fund, $97,833,777; increase, $6,526,406; number of open accounts close of year, 1,768,417; increase, 36,085; number of accounts opened during year, 324,207; decrease, 21,309; amount of money deposited, $207,435,501; decrease, $8,055,057; amount of money withdrawn, $206,871,957; increase, $12,218,563; increase credited, $25,881,033; increase, $922,304. The decrease in the amount deposited and increase in the amount withdrawn are probably due to the apprehension prevailing in the last half of 1896, and the uncertainty in regard to the national election.

Examination of Depositors' Accounts.—A valued correspondent at Philadelphia sends to the MAGAZINE the following: "A curious thing occurred a few days ago in Dover, Del., where it is reported that a person acquired stock in a bank and then demanded the right to examine the depositors' accounts, which was conceded to him by the officers of the bank, when he proceeded to make such an examination. In my forty years' experience in banking I never heard of such a thing being done. Banks here would not permit even a director, unless an officer, to individually inspect the running or cash account of any other person with the bank, and I think most of them have by-laws to that effect.

I think it is generally held that a bank has no more right to thus violate the confidence reposed in it by a depos tor than a lawyer would have the right to violate the confidence reposed in him by a client, a physician that reposed in him by a patient, or a clergyman that reposed in him by a member of his parish."

Bank Cashier Acquitted.—The jury in the U. S. Court at Baltimore recently acquitted Assistant Cashier Edward Hoffman, on three indictments charging him with making false entries and with misappropriating the funds of the People's National Bank of Hagerstown, Md. On the fourth indictment, charging him with false entry of a $12,000 check, the jury disagreed.

New York Trust Companies.—The total resources of the trust companies of the State on July 1 were $443,465,630, an increase over the corresponding period last year of $46,543,382. Profits during the year, $17,338,008; interest credited depositors, $6,519,980; expenses, $2,882,344; dividends declared, $3,895,915; taxes paid, $327,541.

Directors not Responsible.—In the case recently pending against the directors of the Murray Hill Bank, of New York, wherein it was sought to hold them responsible for deposits made while the bank was insolvent, the court decided that the directors were not cognizant of such insolvency.

SOUTHERN STATES.

Atlanta, Ga.—At the recent semi-annual dividend period the banks of this city made a very satisfactory exhibit of their earnings for the past half-year. They disbursed about $100,000 in dividends besides making considerable additions to surplus.

Privilege Tax on National Banks.—Recent efforts to impose a privilege tax on National banks in Tennessee led to an investigation of the subject by the Tennessee Bankers' Association, which publishes the following decision of the Supreme Court of Tennessee in the case of First National Bank of Chattanooga *vs.* Mayor and Aldermen of Chattanooga, (8 Heiskell, 814): "To constitute a privilege, the occupation or business transactions must be such that the Legislature could forbid it to be pursued, and which could only be pursued or done under license issued by the authority of the State. The National banks are authorized to pursue their banking business by virtue of Acts of Congress. As the Legislature has no power to prohibit the exercise of the privilege so conferred by Congress, it would seem clear that it was not in their contemplation to include National banks among the privileges to be taxed. It follows that the corporate authorities of Chattanooga had no power to tax the First National Bank as a privilege."

WESTERN STATES

Kansas City, Mo.—The Concordia Loan and Trust Co., which is liquidating the affairs of the Lombard Investment Co., has been reorganized with $100,000 capital and ex-Secretary of the Treasury Charles S. Fairchild as President.

—The National Bank of Commerce has absorbed the Midland National Bank, the consolidation having received the approval of the Comptroller of the Currency. By this move the National Bank of Commerce becomes one of the very large bank institutions of the West, its total resources aggregating over $13,000,000, and its demand deposits, $11,648,179.

Denver, Colo.—On July 6 the deposits in the First National Bank reached $10,046,000—the largest in the history of this well-known and prosperous institution.

—The recent gold mining convention here was thoroughly successful. A motion to favor free coinage at 16 to 1 was overwhelmingly tabled.

Loans Being Paid.—Reports from Nebraska indicate that farm loans are rapidly being paid off, one estimate stating that the reduction of this kind of indebtedness in Nebraska alone for the past six months amounts to $28,000,000.

Peoria (Ill.) Banks Unite.—The Merchants' National Bank, of Peoria, Ill., has absorbed the business of the Bank of Commerce, of that city. This consolidation, like many others that have taken place recently in the larger cities, is in the line of greater economy in bank management. The Merchants' National was already a very strong institution and its prestige will be still further increased by the added business resulting from the consolidation.

Des Moines, Iowa.—On July 20 the Polk County Savings Bank transferred its business to the Des Moines National Bank, having effected a consolidation with that institution. The Polk County Savings Bank had done business for fifteen years, paying 116 per cent. in dividends in that time. By the consolidation the Des Moines National gains nearly $200,000 in deposits, and further adds to the reputation it has gained under the management of President George M. Reynolds.

Louisville, Ky.—Stockholders of the Third National Bank voted unanimously on June 17 to reduce the capital from $400,000 to $300,000, leaving the present surplus of $80,000 undisturbed.

— The bankers of this city have arranged for a special train of Pullman sleepers to take them to the convention of the American Bankers' Association, the train leaving Louisville on the evening of August 16. John H. Leathers, President of the Kentucky Bankers' Association, and Isham Bridges, Manager of the Louisville Clearing-House, have sent out a general invitation to southern bankers to join the party.

— The stockholders of the Bank of Louisville have ratified the proposal to reduce the capital from $650,000 to $300,000.

Chicago.—A meeting of the stockholders of the Prairie State National Bank will be held August 12 to vote on the advisability of consolidating with the Prairie State Savings and Trust Co. It is probable that the consolidation will be effected and that the National bank will go into liquidation. The two institutions are closely allied. There are rumors of several other impending bank consolidations in the city.

Kansas Bank Organized.—The Valley State Bank, of Belleplaine, Kansas, has been chartered with $5,000 capital.

New Bank in Colorado.—The Weld County Bank was recently opened for business at New Windsor, Colo.

New Kansas Banks.—The Farmers' State Bank, of Oberlin, Kansas, has been incorporated with $10,000 capital.

—Hicks, Gephart & Co. have incorporated at Valley Falls, Kans., as the Citizens' State Bank with $20,000 capital.

Cincinnati, Ohio.—The Fifth National Bank has reduced its capital from $500,000 to $300,000. By the operation the bank has cleaned up all its bad and doubtful assets, and is now on a satisfactory basis.

PACIFIC SLOPE.

Bank Assets Sold.—By direction of the Comptroller of the Currency the Receiver of the Oregon National Bank, Portland, recently sold at public auction the remaining assets and property of the defunct bank. The total face value of the notes and other assets was about $70,000, and they brought $47.75.

Missing Banker Found.—Anton Pfanner, the banker of Forest Grove, Ore., who disappeared recently, has been located in a hospital in Victoria, B. C., suffering from nervous prostration. His affairs are said to be in a solvent condition.

San Francisco.—Large deposits of gold are being made at the mint here from the mines in the Klondike region. On August 4 the deposits reached $3,750,000—the largest ever recorded.

Washington Wheat Crop.—A great harvest of wheat is reported in central and eastern Washington. Conservative estimates place the yield at 18,000,000 bushels, while others place it as high as 22,000,000, and the average per acre at about thirty bushels. The prevailing price is 75 cents a bushel, or 50 cents net profit to the farmer, and a grand total of between nine and eleven million dollars for the farming community of eastern and central Washington, enough to pay their debts and leave them a handsome surplus.

CANADA.

Proposed Bank Consolidation.—It is reported that a movement is under way for consolidating the Merchants' Bank of Canada, the Bank of Nova Scotia and the Bank of British Columbia, to form an institution capable of competing on more equal terms with the Bank of Montreal. Should the proposed amalgamation be consummated, it will result in a powerful institution with about $10,000,000 capital, which will, however, still be about $2,000,000 less than that of the Bank of Montreal.

Summary of Kansas Bank Statements.

The following interesting comparative statements of condition of the State and private banks of Kansas is furnished the MAGAZINE through the courtesy of State Bank Commissioner John W. Breidenthal.

	272 State, June 21, 1897.	*284 State, June 1, 1896.*	*101 private, June 21, 1897.*	*111 private, June 1, 1896.*
Loans	$12,408,265	$13,042,693	$3,225,941	$3,412,618
Overdrafts	122,507	179,993	82,346	78,643
Real estate	1,461,830	1,595,320	496,098	569,878
Furniture and fixtures	221,983	278,564	74,643	95,096
Cash and sight exchange	5,901,796	4,261,163	1,999,411	1,456,305
Deposits	13,977,023	11,494,145	4,073,407	3,589,843
Borrowed money	224,330	577,574	42,954	97,336

	373 State and private, 1897.	*395 State and private, 1896.*	*Decrease and increase.*	
Loans	$15,634,206	$16,455,311	Decrease,	$821,105
Overdrafts	204,853	258,642	"	53,789
Real estate	1,957,928	2,105,190	"	147,271
Furniture and fixtures	296,526	372,660	"	77,134
Cash and sight exchange	7,901,204	5,717,358	Increase,	2,213,646
Deposits	18,050,430	15,220,107	"	2,830,323
Borrowed money	267,284	674,910	Decrease,	407,626

YEAR.	*Loans.*	*Deposits.*	*Borrowed money.*	*Overdrafts.*
1892	$20,335,341	$18,445,945	$1,381,725	$524,378
1893	21,574,870	19,219,426	1,242,602	545,351
1894	17,340,748	16,755,870	769,057	292,826
1895	17,805,514	16,587,435	687,695	273,122
1896	16,455,311	15,220,108	674,910	258,642
1897	15,634,206	18,050,430	267,284	204,853

FAILURES, SUSPENSIONS AND LIQUIDATIONS.

Arkansas.—On July 23 the Bank of Mammoth Spring suspended on account of heavy withdrawals. Deposit liabilities are said to be about $25,000.

Connecticut.—The Mercantile National Bank, of Hartford, went into voluntary liquidation August 2, having ample funds to pay all creditors.

Georgia—ATLANTA.—The Merchants' Bank made a payment of ten per cent. to depositors on August 2. This was the third payment, making a total of forty per cent. The payments will continue at intervals of three months until May, 1898, when the entire liabilities will be paid.

Iowa.—The Receiver of the Sioux City Savings Bank recently received $28,000 from the bank directors. It was alleged the institution lost that much by the speculations of the absconding Cashier, Edward P. Stone, rendered possible by the directors' carelessness. The payment releases them from liability. It is also agreed the indictments against Stone for forgery and fraudulent banking shall be quashed. The payment makes possible the declaration of a thirty-three per cent. dividend to creditors.

Kentucky.—Receiver Cabell recently sold the entire assets of the People's Bank, of Middlesboro, consisting of notes, judgments and overdrafts of the nominal value of more than $20,000. They were sold for less than ten per cent. of their face value. A large number of the notes were given by parties reported to be wealthy, and will probably prove paying investments.

Missouri—KANSAS CITY.—It is reported that an assessment of 100 per cent. will be levied on the stockholders of the failed Missouri National Bank to pay off claims against the bank.

Montana.—On July 27 the Merchants and Miners' National Bank, Philipsburg, suspended. The bank had been doing business since 1892 and had $50,000 capital.

Nebraska.—On July 14 the Comptroller of the Currency was advised of the failure of the Nebraska National Bank of York. Capital was $50,000 and demand deposits about $26,700.

New York—NEW YORK CITY.—Decker, Howell & Co., one of the oldest of Stock Exchange firms, suspended July 13. The failure was not wholly unexpected. The firm had been one of the largest houses in the business, but since its failure in the Baring panic in 1890 it has not been a large factor in Wall street. The failure of 1890 involved more than $12,000,000. The present liabilities amount to not more than $20,000 or $25,000, according to general opinion. The immediate cause of the failure was the sharp rise in sugar certificates.

North Carolina.—The First National Bank, of Asheville, closed July 31. A notice was posted on the door stating that the bank would go into voluntary liquidation. The last statement, made on May 14, showed: Loans and discounts, $308,267.94; overdrafts, $10,823; deposits, $76,859; capital stock, $100,000; surplus, $20,000.

Better Times Are Here.—In vain the spyglass of the shallow pessimist sweeps the financial horizon in quest of a portent of disaster. Everywhere good auguries swim into his ken. There are no bad signs.

The sunburst from the distant Klondike radiates a golden glory that deepens as it traverses our immense fields of yellowing wheat. The rolling wheel and the laden car give a pleasing and unwonted aspect to returns of railroad earnings. Money is flowing into the pockets of the people, who put it out to pay off debts and make purchases long deferred by hard times.

There is new courage and plenty of cash. A promoter might go into a Wall Street business office with a prospectus without being guyed.

The benignant planets of the business heavens are in conjunction and foretell prosperity. By a unanimous vote want of confidence has been exiled from the country. In their rejoicing that the Tariff bill is settled and out of the way the people ignore the faults of the measure. The President has proposed a plan for taking up the problem of the currency. Our burden of sorrows has been lifted, the gloom that possessed our minds is dispelled.

There is nothing in sight but good times and plenty of business.—*New York Times.*

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of New National banks organized since our last report. Names of officers and other particulars regarding these New National banks will be found under the differ-nt State headings.

5079—Paris National Bank, Paris, Texas. Capital, $100,000.
5080—First National Bank, Vandegrift, Pennsylvania. Capital, $50,000.
5081—National Bank of Decorah, Decorah, Iowa. Capital, $50,000.
5082—National Exchange Bank, Springfield, Missouri. Capital, $100,000.
5083—Vinita National Bank, Vinita, Indian Territory. Capital, $50,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

People's National Bank, Waynesburg, Pa.; by Tim Ross, *et al.*
Farmers' National Bank, Vinton, Iowa; by C. O. Harrington, *et al.*
Homestead National Bank, Homestead, Pa.; by John Purman, *et al.*
First National Bank, Crestline, Ohio; by Dan Babst, Jr., *et al.*
Seguin National Bank, Seguin, Texas; by Charles E. Tips, *et al.*
National Bank of Shawnee, Shawnee, Okla.; by J. H. Maxey, *et al.*
National Bank of Seneca, Seneca, Kansas; by J. E. Taylor, *et al.*

NEW BANKS, BANKERS, ETC.

ALABAMA.

CENTERVILLE—Bibb County Banking and Trust Co.; capital, $25,000; Pres., J. D. Wadsworth; Vice-Pres., M. C. Schoolar; Cas., J. P. Kennedy.

MONTEVALLO—Shelby County Bank; Pres., William Walker; Cas., B. Little.

COLORADO.

NEW WINDSOR—Weld County Bank; Pres., T. R. Brooks; Cas., F. E. Bonifield.

GEORGIA.

TALLAPOOSA—Citizens' Bank (F. J. Bacon & Co.)

ILLINOIS.

BENTON—Benton State Bank; (successor to Exchange Bank); capital, $30,000.

CHICAGO—W. R. Hennig & Co.

DEER CREEK—Louis A. Buchner & Co. (successors to Deer Creek Bank).

LAWRENCEVILLE—Bank of Lawrenceville (successor to Lawrenceville Bank); Pres., J. A. Miller; Cas., F. W. Keller; Asst. Cas., W. S. Titus.

NAPERVILLE—Reuss State Bank; (successor to Bank of Geo. Reuss); capital, $25,000; Pres., Geo. Reuss; Vice-Pres., I. N. Murray; Cas., V. A. Dieter; Asst. Cas., J. A. Reuss.

INDIAN TERRITORY.

VINITA—Vinita National Bank; capital, $50,000; Pres., William Little; Cas., Davis Hill.

IOWA.

DECORAH—National Bank of Decorah; capital, $50,000; Pres., L. B. Whitney; Cas., H. C. Hjerleid.

EMMETSBURG—Farmers' Savings Bank; capital, $25,000; Pres., E. S. Ormsby; Cas., O. W. Hodgkinson.

GARDEN GROVE—Mark M. Shaw.

LOVILLA—T. B. McDonald.

MAXWELL—Security Bank; capital, $15,000; Pres., I. G. Dewel; Cas., N. L. Gridley; Asst. Cas., W. C. Dewel.

OTTOSEN—E. I. Stanhope & Co.; Exchange & Collections.

KANSAS.

BELLEPLAINE—Valley State Bank; capital, $5,000.

OBERLIN—Farmers' State Bank; capital, $10,000.

ST. JOHN—St. John Trust Co.; capital, $50,000; Pres., Geo. H. Burr; Sec. & Treas., Howard Grey.

ST. PAUL—Wm. May & Co., Collection Agents.

YATES CENTER—State Savings Bank; Cas., E. A. Runyon.

KENTUCKY.

EDMONTON—People's Bank of Metcalfe Co.; Cas., C. W. Thompson.

MAINE.

LEWISTON— Lewiston Trust & Safe Deposit Co.; Pres., E. F. Scruton; Vice-Pres., Jno. F. Lamb.

MARYLAND.

LONACONING—Merchants and Miners' Bank; capital, $50,000; Pres., Clarence Hodson.

MASSACHUSETTS

BOSTON—Sumner Savings Bank; Pres., F. C. Wood; Vice-Pres., Henry D. Huggan. ——Bright, Sears & Co., Exchange Building.

LOWELL—Price, McCormick & Co.; Chas. H. Woodward, Mgr.

MICHIGAN.

STANDISH—Standish Bank of J. A. Forsyth; capital, $3,150; Pres., Alex. Forsyth; Cas., E. R. Robinson.

ST. LOUIS—Gratiot County State Bank (successor to First National Bank).

MINNESOTA.

BELVIEW—Bank of Belview; capital, $10,000; Pres., W. H. Gold; Vice-Pres., H. N. Stabeck; Cas., W. H. Wallace.

COTTONWOOD—Cottonwood State Bank; Pres., C. S. Orwoll; Vice-Pres., O. S. Reishus; Cas., A. Anderson.

WATKINS—Watkins State Bank; capital, $10,000.

MISSISSIPPI.

BALDWYN—Bank of Baldwyn; Pres., L. C. Prather; Vice-Presidents, B. H. Dillard and John Rowan; Cas., J. C. Jones.

MISSOURI.

COFFEYBURG—Bank of Coffeyburg; Pres., Jno. M. Ellis; Vice-Pres., B. A. Prichard; Cas., Ed. M. Crossman.

HARTVILLE—Bank of Hartville; capital, $10,000; Pres., F. M. Mansfield; Vice-Pres., J. Oliver; Cas., J. H. Simmons.

LACLEDE—Farmers' Bank; capital, $5,000; Pres., T. E. Foreman; Cas., O. C. Macy.

POPLAR BLUFF—Butler County Bank; Pres., J. S. Lapsley; Vice-Pres., J. L. Pace; Cas., Will Lacks.

SPRINGFIELD—National Exchange Bank (successor to Exchange Bank); capital, $100,000; Pres., Jas. E. Keet; Cas., Edward L. Sanford.

WENTZVILLE—Citizens' Bank; capital, $6,000; Mgr., A. F. Brown; Cas., Jno. C. Brown.

NEBRASKA.

DE WITT—State Bank of De Witt (successor to De Witt State Bank); capital, $15,000; Pres., T. H. Miller; Vice-Pres., C. B. Anderson; Cas., E. E. Butler; Asst. Cas., C. W. Ribble.

OGALLALA—Exchange Bank (J. W. Welpton); removed from Grant; capital, $5,000; Asst. Cas., Olivia Welpton.

NEW JERSEY.

JERSEY CITY—Bergen Trust Co.; capital stock, $100,000.

SOUTH ORANGE—People's Bank (Branch) E. C. Babcock, Mgr.

NEW YORK.

NEW YORK CITY—Pfaelzer, Walker & Co., 16 Broad Street.—Thomas & Post, 7 Wall St.

NORTH CAROLINA.

MURPHY—Murphy Savings Bank; capital, $10,000.

NORTH DAKOTA.

WALHALLA—Bank of Walhalla; Pres., H. L. Holmes.

OHIO.

CLEVELAND—People's Safe Deposit & Sav. Bank Co.; capital, $50,000.

PEMBERVILLE—Citizens' Savings Bank; capital, $25,000.

OREGON.

LEBANON—Bank of Lebanon (J. W. Carty.)

PENNSYLVANIA.

VANDEGRIFT—First National Bank; capital, $50,000; Pres., J. S. Whitworth; Vice-Pres., Geo. Mercer, Jr.; Cas., W. A. Kennedy.

TEXAS.

ELCAMPO—Elcampo Bank (P. Funkhouser.)

PARIS—Paris National Bank; capital, $100,000; Pres., R. F. Scott; Cas., H. A. Clement.

VIRGINIA.

BERKLEY—R. W. Brooks.

EMPORIA—Bank of Greenesville; Pres., W. S. Goodwyn; Vice-Pres., B. W. Wyche; Cas., E. E. Goodwyn.

HAMPTON—Phoebus Loan & Trust Co.; F. M. Phoebus, Cashier and owner.

WASHINGTON.

ELLENSBURG—Bank of Ellensburg; capital, $25,000; Pres., H. C. Barroll; Cas., W. E. Bell.

WEST VIRGINIA.

CAIRO—Bank of Cairo; capital, $100,000.

GRAFTON—Grafton Bank; Pres., Jno. Sheridan; Vice-Pres., T. E. Cole; Cas., C. R. Durbin; Asst. Cas., H. W. Chadduck.

WISCONSIN.

MERRILL—Lincoln County Bank; Pres., A. H. Stange; Cas., R. J. Collie.

CANADA.

ONTARIO.

GRAVENHURST—W. T. Hamer & Co.

ZURICH—MacArthur & Co.

MANITOBA.

GLENBORO—Union Bank of Canada; F. W. Young, Mgr.

TREHUNE—R. S. Alexander & Co.

CHANGES IN OFFICERS, CAPITAL, ETC.

ARKANSAS.

SEARCY—People's Bank; Edwin A. Robbins, Pres. in place of W. H. Lightle.

CALIFORNIA.

SALINAS—First National Bank; John L. Matthews, Vice-Pres.

SAN FRANCISCO—Crocker-Woolworth National Bank; Charles F. Crocker, director, deceased.

COLORADO.

CANON CITY—First National Bank; N. C. Craven, Cash.; no Asst. Cas. in place of N. C. Craven.

TELLURIDE—First National Bank; L. L. Nunn, Pres. in place of Wm. Story; S. A. Bailey, Vice-Pres. in place of L. L. Nunn; A. M. Wrench, Cas. in place of J. E. Brown; J. M. Jardine, Asst. Cas.

CONNECTICUT.

BRISTOL—Bristol Savings Bank; Hobart A. Warner, Pres.

DANBURY — Union Savings Bank; C. D. Ryder, Sec. and Treas. in place of Levi P. Treadwell, resigned.

MIDDLETOWN — Farmers and Mechanics' Bank; Samuel T. Camp, Pres. in place of John M. Douglas.

SOUTHINGTON—Southington Savings Bank; W. S. Plumb, Pres. deceased.

WESTPORT—First National Bank: W. H. Saxton, Vice-Pres. in place of B. L. Woodworth.

DELAWARE.

DOVER — First National Bank; capital reduced to $50,000.

IDAHO.

GENESEE — First Bank; Ralston Vollmer, Cas. in place of Thomas H. Brewer, resigned.

ILLINOIS.

ASSUMPTION—Illinois State Bank (successor to Bank of Assumption); capital $25,000; Pres. and Cas., B. F. Hight; Vice-Pres., D. Lacharite; Asst. Cas., J. A. Lacharite.

CHICAGO—Prairie State Savings and Trust Co. and Prairie State National Bank; reported consolidated under title of Prairie State Bank.——Canadian Bank of Commerce; H. B. Walker, agent.

MENDOTA—First National Bank; John R. Woods, Pres. in place of E. A. Bowen.

OREGON—First National Bank; Geo. A. Mix, Pres. in place of Isaac Rice, deceased; no Vice-Pres. in place of Geo. A. Mix.

PEORIA—Bank of Commerce and Merchants' National Bank; consolidated under latter title; Homer W. McCoy, Second Vice-Pres.; also director in place of J. D. McClure.

TALLULA—Wilson & Greene; titled changed to Greene & Greene.

INDIANA.

WASHINGTON—People's National Bank; M. F. Burke, Pres. in place of Hugh Barr, deceased.

WATERLOO — Citizens' Bank; H. K. Leas, Pres. in place of John Leas, deceased.

IOWA.

BELLE PLAINE—Citizens' National Bank; Charles A. Blossom, Pres. in place of E. E. Hughes; S. P. Van Dike, Cas. in place of Charles A. Blossom; no Asst. Cas. in place of S. P. Van Dike.

DES MOINES—Polk County Savings Bank; consolidated with Des Moines National Bank under latter title; A. J. Zwart, Asst. Cas.

EMMETSBURG—First National Bank; E. B. Soper, Pres. in place of E. S. Ormsby.

TIPTON—First National Bank; Charles P. Carl, Asst. Cas. in place of N. M. Moore.

KANSAS.

EUREKA—First National Bank; C. A. Leedy, Vice.-Pres. in place of J. J. Durkee.

HOWARD—First National Bank; T. M. Carter, Vice-Pres. in place of W. M. Crooks.

VALLEY FALLS—Citizens' State Bank; (successor to Hicks, Gephart & Co.) J. T. B. Gephart, Pres.; Jno. C. Coen, Cas.

WELLINGTON—Wellington National Bank; W. W. Hagen, Cas. in place of Wm. H. Burks; no Asst. Cas. in place of W. W. Hagen.

KENTUCKY.

HARRODSBURG—First National Bank; C. D. Thompson, Cas., in place of H. C. Bohon, deceased.

LOUISVILLE—Bank of Louisville; capital reduced to $300,000.

MAYSVILLE—First National Bank; Samuel A. Pope, Pres., deceased.

MORGANFIELD—People's Bank; Martin Scott, Cas., in place of W. M. Morgan, resigned.

UNIONTOWN—Bank of Uniontown; succeeded by Pike, Morgan & Co.; capital, $70,000.

LOUISIANA.

NEW ORLEANS—Metropolitan Bank; Philip W. Dielmann, director, deceased.

SHREVEPORT—First National Bank; Wm. J. Bayersdorffer, Cas., in place of W. S. Penick, Jr.

MAINE.

ELLSWORTH — Hancock County Savings Bank; James F. Davis, Pres., deceased.

MARYLAND.

BALTIMORE—National Howard Bank; Robert Austrian, director, deceased.—Citizens' National Bank; Henry James, Pres., deceased.

MASSACHUSETTS.

BOSTON—North National Bank; W. S. B. Stevens, Asst. Cas. from July 16, 1897, to August 5, 1897, with full powers of Cashier.——South End National Bank; W. A. Tripp, Asst. Cas. *pro tem.* to act in the absence of the Cashier from July 15 to August 15, 1897, inclusive.——Fuller, Harding & Co.; title changed to Fuller, Blair & Co.——New England National Bank; A. C. Kollock, Actg. Cas., from July 15 to October 1, inclusive.——National Webster Bank; J. A. Laforme, Vice-Pres.

BROCKTON—Brockton National Bank; Geo. E. Keith, Vice-Pres., in place of Wm. W. Cross, deceased.

CHELSEA—First National Bank; S. B. Hinckley, Pres., in place of Thomas Martin; no Vice-Pres. in place of S. B. Hinckley.

LOWELL — Merchants' National Bank; no Vice-Pres. in place of Sydney W. Thurlow, deceased.

YARMOUTH PORT—First National Bank of Yarmouth; Wm. J. Davis, Cas., in place of Wm. P. Davis; T. S. Crowell, Asst. Cas., in place of Wm. J. Davis.

MICHIGAN.

GRAND RAPIDS—Fifth National Bank; S. W. Sherman, Asst. Cas.

MARCELLUS—G. W. Jones Exchange Bank; incorporated as a State bank.

MINNESOTA.

FERGUS FALLS—First National Bank; no Asst. Cas. in place of A. G. Anderson.

FRAZEE—State Bank; Chas. W. Higley; Cas., L. W. Oberhauser.

MISSOURI.

CARTERVILLE—First National Bank; W. C. Birch, Asst. Cas.

DONIPHAN—Ripley County Bank; J. L. Dalton, Pres.; J. R. Wright, Vice-Pres.; Geo. A. Neal, Cas.

EXCELSIOR SPRINGS—Hunter Banking Co. and Clay Co. State Bank; consolidated under former title.

KANSAS CITY—National Bank of Commerce and Midland National Bank; consolidated under former title.

MAYSVILLE—Exchange Bank of De Kalb Co.; Pres., S. C. Woodson; Cas., E. A. Bunlon.

ST. LOUIS — Merchants'-Laclede National Bank; D. R. Francis, Vice-Pres., in place of James E. Yeatman; A. L. Shapleigh, 2d Vice-Pres., in place of D. R. Francis.

NEBRASKA.

WISNER—First National Bank; J. R. Mansfield, Pres., in place of C. C. McNish.

NEW JERSEY.

NEWARK—State Banking Co.; Edward Schickhaus, Pres., deceased.

NEW YORK.

ALBANY—First National Bank; C. Tremper, Jr., Cas.; no Asst. Cas. in place ot C. Tremper, Jr.

BROOKLYN—Mechanics' Bank and Brooklyn Safe Deposit Co.; Isaac Carhart, director, deceased.

ELLENVILLE—First National Bank; M. E. Clark, Pres. in place of Chas. Ver Nooy, deceased; F. B. Hoornbeek, Cas. in place of M. E. Clark.

FISHKILL-ON-THE-HUDSON — Mechanics' Savings Bank; William H. Aldrich, Vice-Pres., deceased.

GOUVERNEUR—Bank of Gouverneur; H. Sudds, Vice-Pres. in place of Wm. J. Averell, deceased; also Cas.

KINGSTON—National Bank of Rondout; C. M. Preston, Pres, in place of W. Hutton.

NEW YORK CITY—Third National Bank (in liquidation), J. F. Sweasy, Cas. in place of J. Chapin, Jr.; no. Asst. Cas. in place of J. F. Sweasy.——Franklin National Bank; J. H. Vandeventer, Cas. in place of Charles F. James; no. Asst. Cas. in place of J. H. Vandeventer.——Bowery Bank; Frank C. Mayhew, Pres. in place of Henry P. Degraaf, deceased.——Tradesmen's National Bank; David M. Look, elected director in place of John G. Zabriskie, resigned.——Benedict Brothers; dissolved.——Metropolitan Trust Co.; Thos. Hillhouse, Pres. deceased.——James G. King's Sons; business transferred to Baring, Magoun & Co.

SARANAC LAKE—Potter & Co.; business sold out to Adirondack National Bank.

NORTH DAKOTA.

MANDAN—First National Bank; A. J. Wake, Asst. Cas.

OHIO.

BRIDGEPORT—First Nat. Bank; Jos. B. Loe, Cas.; no Asst. Cas. in place of Jos. B. Loe.

CINCINNATI—Fifth National Bank; capital reduced from $00,000 to $300,000.

LIMA—First National Bank; Theo. D. Robb, Pres. in place of S. S. Wheeler.

OTTAWA—Cover & Bruon; succeeded by Andrew Bruon & Co.

TOLEDO—Holcomb National Bank; S. R. Maclaren, Pres. in place of O. A. Bostwick; Edwin Jacoby, Vice-Pres. in place of S. R. Maclaren.

UPPER SANDUSKY—Commercial Bank; John R. Layton, Pres. in place of T. E. Beery, resigned.

OKLAHOMA.

CHANDLER—Lincoln County Bank; succeeded by Lincoln Co. State Bank; capital, $9,000.

EL RENO—First National Bank; L. J. Stewart, Vice-Pres. in place of Robert Martin; F. M. Smith, Cas. in place of B. F. Still.

PAWNEE—Arkansas Valley Bank; Robert Chasteen, Cas. in place of Frank M. Thompson; E. L. Lemert, Asst. Cas.

PENNSYLVANIA.

DANVILLE—Danville National Bank; M. G. Youngman, Cashier in place of Geo. M. Gearhart; G. M. Gearhart, Asst. Cas.

MCDONALD—People's National Bank; W. L. Scott, Cashier in place of A. J. McDonald: T. W. Frye, Asst. Cas. in place of J. T. Patterson.

PHILADELPHIA—Third National Bank; no Asst. Cas. in place of Edward C. Lilley.——Quaker City National Bank; W. D. Brelsford, Asst. Cas.——Equitable Trust Co.; removed to Betz Building.——Manayunk National Bank; John J. Foulkrod, Pres. in place of David Wallace, dec.; Leander M. Jones, Vice-Pres.; Edward H. Preston, Cas. in place of John J. Foulkrod.

PHOENIXVILLE—Nat. Bank of Phoenixville; L. B. Kaler, Pres. in place of P. G. Carey.

WELLSBORO—First National Bank and Wellsboro National Bank; reported consolidated under former title.

RHODE ISLAND

WICKFORD—Wickford National Bank; William Gregory, Vice-Pres. in place of Philo J. Thomas, deceased.

SOUTH CAROLINA.

COLUMBIA—Central National Bank; W. C. Wright, Pres. in place of Alexander N. Talley, deceased; no Vice-Pres. in place of W. C. Wright.

TEXAS.

BONHAM—First National Bank; W. A. Nunnelee, Pres., deceased.

DALLAS—National Bank of Dallas; Henry C. Coke, Vice Pres.

LUFKIN—Citizens' Bank; capital, $20,000; Pres., Jno. H. Snow; Cas., J. W. Craven; Asst. Cas., B. Frank Snow.

NAVASOTA—First National Bank; Walter L. Scott, Asst. Cas.

VERMONT.

NORTHFIELD—Northfield Savings Bank; Andrew E. Denny, Pres. and Treas.

VIRGINIA.

LURAY—Page Valley Bank of Va.; W. O. Yager, Pres. in place of J. V. Jamison, resigned.

ROANOKE—Fidelity Loan and Trust Co.; Thomas Lewis, Pres., William Welch, Vice-Pres.; W. F. Winch, Sec. and Treas.

CANADA.

ONTARIO.

ORILLIA—Tisdale & Wade; succeeded by W. B. Tisdale.

SEAFORTH—Canadian Bank of Commerce; F. C. G. Minty, Mgr. in place of M. Morris.

WALKERVILLE—Canadian Bank of Commerce; J. L. Harcourt, Mgr. in place of H. B. Walker.

WINDSOR—Canadian Bank of Commerce; J. L. Harcourt, Mgr. in place of H. B. Walker.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ARKANSAS.

MAMMOTH SPRING—Bank of Mammoth Spring.

COLORADO.

ALAMOSA—First National Bank; in voluntary liquidation by resolution of July 1.

CONNECTICUT.

HARTFORD—Mercantile National Bank; in voluntary liquidation.——F. R. Cordley & Co.

FLORIDA.

JACKSONVILLE—Merchants' National Bank; T. V. Porter, Receiver in place of E. T. Shubrick, resigned.

IOWA.

GOODELL—Merchants and Farmers' Bank.

KANSAS.

ST. JOHN—Commercial Bank.

KENTUCKY.

BRANDENBURGH—Meade County Deposit Bank; in voluntary liquidation.

MASSACHUSETTS.

LOWELL—F. R. Cordley & Co.

MISSOURI.

KANSAS CITY—Metropolitan National Bank; in voluntary liquidation by resolution of June 30.

MONTANA.

PHILLIPSBURG—Hyde & King.——Merchants and Miners' National Bank; in hands of Samuel A. Swiggett, Receiver, July 28.

NEBRASKA.

HEMINGFORD—Box Butte Bank.

YORK—Nebraska National Bank.

NEW YORK.

LYONS—J. V. D. Westfall.

NEW YORK CITY—Decker, Howell & Co.; assigned to A. Fisher, Jr.

NORTH CAROLINA.

ASHEVILLE—First National Bank; in voluntary liquidation.

PENNSYLVANIA.

ERIE—Keystone National Bank; in hands of Frank M. Hayes, Receiver, July 26.

TEXAS.

BLOSSOM—Exchange Bank.

MASON—First National Bank.

WASHINGTON.

ANACORTES—First National Bank; P. W. Strader, Receiver, in place of F. W. Hawkins, resigned.

MONTESANO—Bank of Montesano; in hands of L. B. Bignold, Receiver.

Have the True Ring.—The resolutions adopted by the bankers of New York State at their annual convention in Saratoga have the true ring. They do not mince matters or deal in roundabout phrases. They recommend the retirement of all Government paper and the substitution of a safe bank currency under governmental control. The time has gone by when there was anything to be gained by the policy of silence or of half measures on the part of the banks. At this time, when the politicians at Washington are eating their own words and shrinking from any reform whatever, firmness of tone is more than ever necessary on the part of those who understand the dangers of the present currency system. The New York bankers know that the policy of timidity never makes friends or accomplishes any good in this world. Hence they have spoken the truth with clearness and emphasis. For so doing they are entitled to the thanks of all intelligent men, whether Congress agrees with them or not.—*Evening Post* (New York, July 17).

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, August 4, 1897.

THE CONDITIONS THAT MAKE FOR PROSPERITY have, during the past month, so massed themselves that their aggressiveness has become indisputable. Once more a complete revolution has taken place both in influences and sentiment so sudden as to be almost inexplicable. It was Horace Greeley's contention that the way to resume is to resume, and the way to have good times seems to be just to have them. Still it is not mere sentiment this time, but a substantial fact that times have changed, nor is the change limited to the metes and bounds of Wall street, although there has been witnessed there a revived activity and an appreciation in values such as has not been often seen since the great bull era of 1878–1881 came to a close.

Of the favorable conditions that have arisen or developed during the past month, it is proper to mention first the passage of the tariff bill. After remaining in the Senate from March 31 until July 7, it passed with numerous amendments in the upper House on that date. On the following day the House voted not to concur and the bill went to a conference committee. The committee reported the bill on July 19 and the House passed it on the same day. The Senate, however, did not come to a vote on it until July 24, when it also passed the bill, and on the same day it was signed by the President and became a law. What effect the law will have upon the revenues of the Government it is for the future to determine, but the end of tariff agitation is of itself favorable to business.

On the day of the passage of the tariff bill the President sent a message to Congress recommending the creation of a currency commission to consider reforms in our currency system. The House responded by passing the Stone Currency Commission bill, which authorized the President to appoint a commission; the Senate, however, adjourned without taking any action. The message of the President, however, and the subsequent utterances of the Secretary of the Treasury give assurance that the Administration is disposed to exert all its influence towards securing a sound money system, and the effect of the message has been to strengthen confidence among those who view our present circulating medium as involving dangerous pitfalls.

With the tariff legislation out of the way and Congress adjourned, the country now has a chance to take advantage of the natural conditions which determine its prosperity. To the crop situation attention is naturally turned at this season of the year, and of this year even more than in most years. The prospect is fair for a wheat yield this year approximating 550,000,000 bushels, and which will exceed that of last year by probably not less than 100,000,000 bushels. This would not of itself be a favorable factor if the same conditions as to prices were to exist as have been prevailing in recent years. But there is a short supply abroad while the visible supply in this country is now only one-third of what it was a year ago. Again we have the same conditions as existed in 1879–1881, and they then swelled our wheat exports to an unprecedented volume. From 55,000,000 bushels in 1877 and 90,000,000 bushels in 1878 our wheat exports increased to 147,000,000 bushels in 1879, to 180,000,000 bushels in 1880 and to 186,000,000 bushels in 1881. In those

years the average export price ranged from $1.08 to $1.40 per bushel. In 1892 our wheat exports reached 225,000,000 bushels, but in the last fiscal year they were only about 145,000,000 bushels.

The price of wheat has been advancing rapidly of late, justified by the relative supply and demand. Wheat is now about twenty cents per bushel more than it was a year ago, and there is again talk of "dollar wheat." The farm value of last year's wheat was 72.6 per bushel as compared with 50.9 cents in 1895-6 and 49.1 cents in 1894-5. A further increase of even ten cents per bushel in the farm value during the current crop year would mean at least $175,000,000 increase in returns to the wheat growers as compared with 1895 or 1896 from appreciation in price alone, without considering the increase in yield. There has also been some increase in the price of corn, while cotton has been advancing for some time. Good prices with fair to good crops will rapidly improve the condition of the American farmer.

The railroads in the grain-growing sections are already feeling the stimulus of the large wheat yield. The grain movement began nearly three weeks earlier than usual and the deliveries of grain at Chicago have been larger than at any previous time in four years. A car famine is already threatening, and not in years have the railroads had so fair a prospect for a large business as that which now confronts them.

Evidences of prosperity even in the States in the West which have been suffering most severely from low prices and bad times are now accumulating. In Nebraska it is estimated that $28,000,000 of mortgages have been paid off in the first six months in 1897. In Kansas the banks for the first time in their history report deposits in excess of loans.

The extraordinary advance in the prices of railroad securities which occurred in June, continued in July, although the pace was not so rapid. There has been considerable selling of American securities for London account, and it is believed that a short interest of no mean proportions has been created in the English market. It is not an unusual occurrence for London to sell during the first stages of a general recovery in our market, and this time there is the additional incentive of preventing gold imports to this country. This selling had some influence in causing exports of gold from New York late in the month, but only $4,500,000 went out. It is a moral certainty that before the close of the year there will be a heavy movement of gold this way, and if London has been selling our securities short, the future buying to cover will accentuate the movement.

With the increased earnings which the railroads are already beginning to report and the completion of the refunding operations which several of the principal railroads are proposing in order to replace old high interest-bearing bonds with new issues bearing a lower rate, foreign buying of American railroad securities is likely to increase, and gold will the more readily flow this way.

The Chicago and Northwestern Railroad is the latest to propose a refunding scheme. It contemplates the issue of $165,000,000 first mortgage 3½ per cent. bonds to run ninety years, and to be issued from time to time as required to retire maturing bonds. On $18,000,000 which mature during the next five years the annual saving in interest will be about $600,000. The Chicago, Rock Island and Pacific has a similar plan under consideration it is understood, thus following the example of the Lake Shore and other companies which have taken advantage of the low rate prevailing for money in order to reduce their interest charges.

The cheapness of money is indicated in the successful sale of a block of $10,000,000 3½ per cent. bonds by the city of New York at 105.912, a price which makes the net yield about 3.13 per cent. per annum. The State of Kentucky also sold $500,000 ten year four per cent. bonds at a price which nets the buyers about 3⅛ per cent.

Two events which occurred last month recalled the fierce struggle over the

money question which raged last autumn; one the extraordinary decline in the price of silver, the other the generation of a great gold mining craze, due to the important gold discoveries in Alaska. The price of silver fell to 26⅜ pence per ounce sterling in London, on July 28, and to 57⅜ cents per ounce fine in New York, the lowest point ever touched. The previous low record was made on March 3, 1894, when the price was 27 pence in London and 58¾ cents in New York. The low price of last month made the value of the bullion in the silver dollar 44.47½ cents.

The Klondike gold discoveries have come into prominence in the past few weeks by reason of the large amounts of gold that have been brought into the United States from Alaska. While it has been known for a long time that large quantities of gold existed in that territory, it is only now that the Klondike has become a familiar name throughout the land. A new "gold craze" has sprung up and the history of 1849 seems to be repeating itself. What the future is to be it is not safe to predict yet, but if we are to witness another tremendous output of the precious metal, and this country is to be a gainer thereby, the effect upon American industries and enterprise is likely to be very great. The discovery of gold in California created a new epoch in the United States, and for a decade, or until the panic of 1857 swept the country, there was a "boom" in general business and industrial activity universally prevailed.

The increase in our foreign trade and the expansion in the currency which followed the gold discoveries in California were exceptional and marked the effect of an increase in our gold supply. Gold went out of the country then, but it was used to pay for merchandise imported, and while imports increased exports grew. While the supply of specie money increased there was also an enormous expansion in bank notes, and there was a mad race for wealth until over trading and speculation brought its necessary sequel in the shape of a widespread panic. The inflation period extended from 1849 to 1854, and its extent is indicated in the following table:

YEAR.	*Gold production in U. S.*	*Net exports.*	*Merchandise.*	*Merchandise.*	*Money in circulation.*	
		Gold.	Imports.	Exports.	Specie.	Bank notes.
1847.....	$900,000	$1,000,000	$122,400,000	$156,700,000	$118,300,000	$105,500,000
1848.....	10,000,000	11,100,000	148,600,600	138,200,000	108,900,000	128,500,000
1849.....	40,000,000	2,000,000	141,200,000	140,400,000	117,800,000	114,700,000
1850.....	50,000,000	4,800,000	173,500,000	144,400,000	147,400,000	131,400,000
1851.....	55,000,000	22,800,000	210,800,000	188,900,000	175,100,000	155,200,000
1852.....	60,000,000	40,100,000	207,400,000	167,000,000	190,300,000	171,700,000
1853.....	65,000,000	25,400,000	263,800,000	208,500,000	214,000,000	188,200,000
1854.....	60,000,000	40,500,000	297,800,000	237,000,000	220,900,000	204,700,000

The production of gold is stated for the calendar year, while the other figures in the above statement are for the fiscal year ending June 30. By 1857 the net exports of gold reached $65,000,000, the merchandise imports $348,000,000, merchandise exports $294,000,000, specie circulation, $242,000,000, and bank note circulation $214,000,000. In ten years merchandise imports increased 185 per cent., and exports 90 per cent., while the money in circulation increased 100 per cent. That similar results will follow another extensive increase in the gold supply, is hardly to be doubted, although they may not reach as great a magnitude.

The completed statistics of the foreign trade of the United States for the fiscal year ended June 30, 1897, show marvellous results. The exports of merchandise were the largest ever known, reaching nearly $1,052,000,000. Only twice before did the exports in any year equal $900,000,000; in 1881 when they were $902,000,000, and in 1892 when they were $1,030,000,000. The imports, which amounted to $764,000,000, were smaller than any previous year, but were larger than in any year prior to 1890. The net exports were $287,613,186, which exceeds the highest previous

record made in 1879 by about $23,000,000 For the first time in nine years we gained gold by importation, nearly $44,700,000. In only two years, 1880 and 1881, has this record been beaten. The net exports of silver, including ore, were $31,400,000, a slight decrease as compared with 1896, but beaten in only one other year, 1894. During the past seven years the net exports of merchandise and specie have been of extraordinary magnitude as the following table of net balances will show:

YEAR ENDED JUNE 30.	*Merchandise.*	*Gold.*	*Silver.*	*Total.*
1891	Exp., $39,564,614	Exp., $68,120,087	Exp., $4,564,108	Exp., $112,258,809
1892	" 202,875,686	" 495,873	" 12,855,473	" 216,227,032
1893	Imp., 18,735,728	" 87,506,463	" 17 544,067	" 86,314,802
1894	Exp., 237,145,950	" 4,528,942	" 37,164,713	" 278,839,605
1895	" 75,566,200	" 30,083,721	" 27,084,107	" 132,736,028
1896	" 102,882,264	" 78,884,882	" 31,764,484	" 213,531,630
1897	" 287,613,186	Imp., 44,653,795	" 31,413,411	" 274,372,802

In the past seven years the total net exports were $1,314,000,000, and in the past four years nearly $900,000,000. In the seven years we lost $225,000,000 gold by export.

NATIONAL BANKS OF THE UNITED STATES.—The tabulated statements of the National banks of the country as submitted to the Comptroller of the Currency showing their condition on May 14, 1897, give indication of increased activity in business. This is reflected by an increase of $87,000,000 in loans as compared with the amount reported on March 9, last, while individual deposits show an increase of $59,000,000. There has been a further reduction in capital invested in National banks, however, of more than $5,000,000, a decrease of $25,000,000 since 1895. Deposits are within $8,000,000 as much as they were two years ago. There has been a slight increase in the gold reserve of the banks since the last previous statement, and the amount is the largest reported in more than two years past. There has been little change in the holdings of silver, but a decrease of $12,000,000 in legal tenders. The following statement shows some of the principal items reported by the banks during the past two years:

CONDITION OF THE NATIONAL BANKS OF THE UNITED STATES.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
May 7, 1895	$659,146,756	$246,740,237	$1,690,961,299	$177,264,386	$41,382,212	$145,459,159
July 11, 1895	658,224,179	247,782,176	1,736,022,006	171,217,437	43,209,757	168,515,172
Sept. 28, 1895	657,135,498	246,448,426	1,701,653,531	162,925,290	33,312,021	143,806,685
Dec. 13, 1895	656,956,245	246,177,563	1,720,550,241	168,244,430	38,467,979	130,649,423
Feb. 28, 1896	653,994,915	247,178,188	1,648,092,868	156,894,030	39,123,423	141,242,513
May 7, 1896	652,089,780	247,546,067	1,637,639,515	157,761,800	44,611,646	147,006,652
July 14, 1896	651,144,855	248,308,423	1,668,413,507	161,853,560	41,981,889	140,378,290
Oct. 6, 1896	648,540,325	247,600,075	1,597,891,058	160,723,890	40,084,742	142,334,730
Dec. 17, 1896	647,186,305	247,339,567	1,639,688,360	181,030,260	44,520,448	156,973,612
Mar. 9, 1897	642,424,195	247,120,051	1,669,219,961	188,304,755	45,644,107	186,322,853
May 14, 1897	637,002,395	246,736,694	1,728,083,971	190,396,251	45,680,131	174,144,992

THE MONEY MARKET.—The excessive supply of money keeps rates down to nominal figures. Money on call is still loaned at one per cent with some exceptional loans at as high as two per cent. Banks and trust companies find the outside competition to lend money so extensive that they cannot get more than one per cent. The demand for time money is very limited, and rates have declined ½ per cent. since a month ago. The offerings of commercial paper are only fair while the demand is moderate. At the close of the month call money ruled at 1 to 2 per cent, the average rate being about 1⅛ per cent. Time money on Stock Exchange collateral was quoted at 1½ per cent. for 60 days, 2 per cent. for 90 days, 2½ for

four months, and 3 per cent. for five to seven months. For commercial paper the rates are 3½ per cent., for 60 to 90 days endorsed bills receivable, 3¾ @ 4 per cent. for first-class four to six months single names, and 4½ @ 5 per cent. for good paper having the same length of time to run. The rates for money in this city on or about the first of the month for the past six months are shown in the following table:

MONEY RATES IN NEW YORK CITY.

	Mar. 1.	*April 1.*	*May 1.*	*June 1.*	*July 1.*	*Aug. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	1¼–1¾	1½–2	1¼– 1¾	1¼–1½	1 –2	1 –2
Call loans, banks and trust companies	1½–2	1½–2	1¼– 2	1¼–1½	1 –2	1 –2
Brokers' loans on collateral, 30 to 60 days	2 –	2 –	2 –	2 –	2 –	1½–
Brokers' loans on collateral, 90 days to 4 months	2½–3	2½–3	2½–	2½–	2 –2½	2 –2½
Brokers' loans on collateral, 5 to 7 months	3 –3½	3½–	3 –	3 –	2½–3	3 –
Commercial paper, endorsed bills receivable, 60 to 90 days	3 –	3½–	3½–	3½–	3 –3¼	3½–
Commercial paper prime single names, 4 to 6 months	3½–4	3¾–4	3¾– 4½	3¾–4½	3¼–4	3¾–4
Commercial paper, good single names, 4 to 6 months	4 –5	4 –5	4½– 5½	4½–5	4 –4½	4½–5

EUROPEAN BANKS.—The Bank of England lost $1,000,000 gold last month and the Bank of Germany $2,000,000, while the Bank of France gained $5,000,000, making $21,000,000 since January last, and the Bank of Austro-Hungary gained $5,000,000, making nearly $34,000,000 since January 1. The last-named bank has increased its gold holdings in the past twelve months nearly $50,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	January 1, 1897.		*July 1, 1897.*		*Aug. 1, 1897.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£34,158,899	.....	£26,880,503	.....	£26,618,462	.....
France	76,584,590	£49,130,797	79,715,480	£49,289,880	80,777,224	£49,302,583
Germany	28,505,450	14,252,750	30,8 .0,000	15,902,000	29,352,000	15,120,000
Austro-Hungary	30,340,000	12,578,000	35,944,000	12,681,000	37,010,000	12,660,000
Spain	8,528,000	10,210,000	8,919,000	10,891,000	8,983,000	10,720,000
Netherlands	2,634,000	6,841,000	2,631,000	7,037,000	2,632,000	6,943,000
Nat. Belgium	2,736,667	1,368,333	2,726,667	1,363,333	2,780,000	1,390,000
Totals	£183,487,606	£94,380,880	£197,686,650	£97,164,193	£198,152,686	£96,135,583

FOREIGN EXCHANGE.—The sterling exchange market was quiet and rates remained unchanged until the latter half of the month, when they were advanced ¼ all around. There has been a steady demand for remittances on account of securities sold and for sugar and other imports which has absorbed the bills for exports of grain and provisions. The supply of bills will increase rapidly in September, and heavy imports of gold are looked for later in the year.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

Week ended	BANKERS' STERLING.		*Cable transfers.*	*Prime commercial. Long.*	*Documentary Sterling. 60 days.*
	60 days.	*Sight.*			
July 3	4.85¼ @ 4.86	4.87 @ 4.87¼	4.87¼ @ 4.87½	4.85¼ @ 4.85½	4.84¾ @ 4.85
" 10	4.86 @ 4.86¼	4.87 @ 4.87¼	4.87¼ @ 4.87½	4.85½ @ 4.85¾	4.85 @ 4.85¼
" 17	4.86 @ 4.86¼	4.87 @ 4.87¼	4.87¼ @ 4.87½	4.85½ @ 4.85¾	4.85 @ 4.85¼
" 24	4.86¼ @ 4.86½	4.87¼ @ 4.87½	4.87½ @ 4.87¾	4.85¾ @ 4.86	4.85¼ @ 4.85½
" 31	4.86¼ @ 4.86½	4.87¼ @ 4.87½	4.87¾ @ 4.87¾	4.85¾ @ 4.86	4.85¼ @ 4.85½

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	April 1.	*May 1.*	*June 1.*	*July 1.*	*Aug. 1.*
Sterling Bankers—60 days	4.85¾— 6	4.86¼— ⅛	4.86 — ⅛	4.85¾— 6	4.86¼— ⅛
" " Sight	4.87¼—	4.87⅛— ¾	4.87 — ⅛	4.87 — ¾	4.87¼— ⅛
" " Cables	4.87¾— 8	4.87¾— ⅛	4.87¼— ⅛	4.87¼— ⅛	4.87⅛— ¾
" Commercial long	4.84¾— 5	4.85¾— 6	4.85 — ⅛	4.85¼— ⅛	4.85⅜— 6
" Docu'tary for paym't.	4.84⅛— 5	4.85¼— ½	4.84¾— 5¼	4.84¾— 5	4.85¼— ⅛
Paris—Cable transfers	5.15⅜—	5.14⅜—	5.15 — 4⅜	5.15 — 4⅜	5.15⅛— 4⅜
" Bankers' 60 days	5.18⅛— 7½	5.16⅞— ¼	5.16⅞—	5.16⅞—	5.16⅞—
" Bankers' sight	5.16¼— 5⅜	5.15⅛— 4⅜	5.15⅛— 5	5.15⅛— 5	5.15 —
Antwerp—Commercial 60 days.	5.20 —19⅜	5.19⅜— 8¾	5.19⅜— 8¾	5.19⅜— 8¾	5.18¾—⅛
Swiss—Bankers' sight	5.18¾— ⅛	95⅜— ¾	5.17½— 6⅞	5.17½—	5.16½—
Berlin—Bankers' 60 days	95⅛— ⅜	5.18¾— ¾	95⅛— ⅛	95¼— ⅛	95⅛— ⅜
" Bankers' sight	95⅛— ⅜	95⅜— ¾	95⅛— ⅜	95¼— ¾	95⅜—
Brussels—Bankers' sight	5.16¼—	5.15⅝— ⅛	5.15⅝—	5.15⅝—	5.15⅝— ⅛
Amsterdam—Bankers' sight	40¼— ⅛	40⅜— ⅛	40⅛— ⅜	40⅛— ⅜	40⅜— ⅛
Kronors—Bankers' sight	27 —27⅛	27 — ⅛	26⅞— 27	27 — ⅛	27 — ⅛
Italian lire—sight	5.43¾— 1¼	5.42¾—40¾	5.40⅛—37½	5.38⅛— 5½	5.40¼—37¾

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Apr. 14, 1897.	*May 12, 1897.*	*June 16, 1897.*	*July 14, 1897*
Circulation (exc. b'k post bills)	£27,839,885	£27,409,295	£27,287,840	£28,046,305
Public deposits	10,945,120	10,188,734	11,300,076	7,138,815
Other deposits	38,817,957	39,446,125	38,936,106	43,795,055
Government securities	13,842,580	13,842,580	13,948,356	13,780,897
Other securities	28,451,585	28,062,106	28,220,650	29,714,239
Reserve of notes and coin	25,357,948	25,611,289	25,882,011	25,484,230
Coin and bullion	36,397,813	36,220,584	36,220,851	36,731,125
Reserve to liabilities	50¾%	51⅝%	51.4%	49⅞%
Bank rate of discount	2½%	2%	2%	2%
Market rate, 3 months' bills	1¾ @ 1¼%	⅞ @ 1⅛%	1⅛%	1⅛%
Price of Consols (2¾ per cents.)	112	113⅛	112⅛	112⅛
Price of silver per ounce	28 7-16d.	27¾d.	27 7-16d.	27 7-16d.
Average price of wheat	27s. 10d.	28s. 4d.	27s. 4d.	27s. 4d.

MONEY RATES ABROAD.—No change has been made in the rates of discount by the leading banks abroad, the minimum rate of 2 per cent. still being quoted by the Bank of England and also by the Bank of France, while 3 per cent. is the ruling rate among the other continental banks. Discounts of 60 to 90 day bills in London at the close of the month were 13 16 of 1 per cent., a decline of 1-16 for the month. The open market rate at Paris was unchanged at 1⅞ per cent.; at Berlin 2⅜ per cent., a decline of ¼, and at Frankfort, 2⅜ per cent., a decline of ⅛.

MONEY RATES IN FOREIGN MARKETS.

	Feb. 18.	*Mar. 19.*	*Apr. 16.*	*May 14.*	*June 18.*	*July 16.*
London—Bank rate of discount	3	3	2½	2	2	2
Market rates of discount:						
60 days bankers' drafts	1⅞	1⅜— ⅛	1¼	⅞	⅞	⅞
6 months bankers' drafts	1⅞	1⅛	1¼— 7-16	1⅛— ¼	1⅛— ¼	1⅛
Loans—Day to day	1⅛	¾	½	½	½	½
Paris, open market rates	1¾	1¾	1¾	1¾	1¾	1¾
Berlin, "	2¾	3⅛	2¾	2¾	2¾	2¾
Hamburg, "	2¾	3⅛	2⅞	2¾	2¾	2¾
Frankfort, "	2¾	3⅜	2⅞	2¾	2¾	2⅞
Amsterdam, "	2½	2	2½	2½	1½	2½
Vienna, "	3½	3½	3½	3½	3½	3½
St. Petersburg, "	5¾	5¾	5¾	5¾	5¾	5¾
Madrid, "	4	4	4	4	4	4
Copenhagen, "	4	4	4	4½	4½	5

SILVER.—The price of silver in London fell last month to the lowest point ever recorded. The lowest previous price was 27d. per ounce in 1894, that price was reached again on July 27th last, and on the following day it fell to 26⅜d. There was a subsequent rise to 26 11-16d., but the final price for the month was 26⅝d., a net decline of 15-16d.

MONTHLY RANGE OF SILVER IN LONDON—1895, 1896, 1897.

MONTH.	1895.		1896.		1897.		MONTH.	1895.		1896.		1897.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January..	27 7/16	27 3/16	30 5/16	30 5/16	29 11/16	29 11/16	July.....	30 5/16	30 1/4	31 5/16	31 1/16	27 11/16	26 5/8
February	27 11/16	27 1/4	31 3/16	30 5/8	29 5/8	29 11/16	August ..	30 3/8	30 1/4	31 1/16	30 5/8		
March....	30 1/4	27 5/8	31 1/16	31 1/16	29 5/8	28 3/4	Septemb'r	30 3/8	30 1/8	30 11/16	30		
April.....	30 5/8	29 7/8	31 3/16	30 11/16	28 1/2	28 3/4	October..	31 1/16	30 1/2	30 5/8	30 3/16	29 3/4	
May.....	30 5/8	30 3/16	31 3/16	30 11/16	28 3/4	27 5/8	Novemb'r	31	30 5/8	30 3/16	29 3/4		
June.....	30 11/16	30 5/8	31 1/16	31 1/16	27 3/4	27 3/8	Decemb'r	30 11/16	30	30	29 11/16		

COIN AND BULLION QUOTATIONS.—Following are the ruling quotations in New York for foreign and domestic coin and bullion:

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	Asked.		Bid.	Asked.
Trade dollars	$ .60	.....	Twenty marks	$4.77	$4.80
Mexican dollars	.45	$ .46	Spanish doubloons	15.50	15.70
Peruvian soles, Chilian pesos..	.43½	.45	Spanish 25 pesos	4.78	4.82
English silver	4.83	4.86	Mexican doubloons	15.50	15.70
Victoria sovereigns	4.87	4.89	Mexican 20 pesos	19.50	19.60
Five francs	.93	.96	Ten guilders	3.95	3.99
Twenty francs	3.85	3.88			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 28 5/16d. per ounce. New York market for large commercial silver bars, 58 @ 58 7/8c. Fine silver (Government assay), 58 1/8 @ 59 1/16c.

GOLD AND SILVER COINAGE.—There was very little coin turned out from the mints last month and no silver dollars. The gold coinage aggregated $877,000, silver $260,000, and minor $33,850, a total of $670,850.

COINAGE OF THE UNITED SEATES.

	1896.		1897.	
	Gold.	Silver.	Gold.	Silver.
January	$12,914,600	$65,000	$7,803,420	$1,964,800
February	1,240,000	1,500,000	10,152,000	1,519,794
March	1,540,555	1,683,531	13,770,900	1,617,654
April	1,500,000	1,831,000	8,800,400	1,535,000
May	2,857,200	1,826,490	4,489,950	1,600,000
June	2,471,217	1,950,693	2,100,547	1,856,754
July	2,918,200	1,092,000	377,000	260,000
August	3,315,000	2,686,000		
September	3,140,923	2,754,185		
October	5,727,500	2,844,010		
November	5,064,700	2,305,022		
December	4,363,165	2,551,968		
Year	$47,052,561	$23,089,899	$47,494,217	$10,354,002

NEW YORK CITY BANKS.—By an increase of $18,000,000 in deposits and of $10,000,000 in loans, those items in the statement of the New York Clearing-House banks show larger aggregates than were ever before reported. The cash reserves

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
July 3...	$532,707,900	$90,496,600	$102,134,200	$604,983,770	$41,384,875	$13,781,200	$761,721,700
" 10...	533,766,600	90,505,200	102,776,800	607,682,500	41,361,375	13,782,900	508,268,600
" 17...	534,154,400	91,231,200	108,122,500	613,267,200	46,036,900	13,641,200	635,777,700
" 24...	540,074,600	91,377,900	111,615,100	622,525,700	47,361,575	13,534,600	644,835,300
" 31...	542,996,200	91,497,400	109,984,000	623,045,000	45,720,150	13,431,100	623,533,100

now exceeding $201,000,000 are the largest held since 1894, excepting on July 24 there having been a decrease of about $1,600,000 in legal tenders in the last week of the month. The surplus reserve increased over $4,000,000 in the month and is now nearly $46,000,000 or $28,000,000 more than it was a year ago. The deposits exceed the loans by $80,000,000. While such a condition as that indicated by these figures continues to exist the money market will undoubtedly remain easy.

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

Month.	1895.		1896.		1897.	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$549,291,400	$35,268,850	$501,089,300	$15,939,675	$530,785,000	$33,286,950
February	546,965,200	36,751,500	490,447,200	39,623,400	563,331,800	59,148,250
March	528,440,800	28,054,500	489,612,200	24,442,150	573,769,300	57,520,975
April	504,240,200	13,413,450	481,795,700	17,005,975	569,236,500	47,606,575
May	526,998,100	27,238,575	495,004,100	22,944,275	576,861,900	48,917,625
June	566,229,400	41,221,250	498,874,100	22,230,675	575,600,000	46,616,100
July	570,436,300	34,225,925	499,046,900	20,328,275	604,983,700	41,384,875
August	574,304,500	40,917,175	485,014,000	17,728,600	623,045,000	45,720,150
September	574,929,900	39,149,925	451,934,800	8,836,200		
October	549,136,500	22,296,175	454,733,100	16,526,025		
November	529,862,400	17,594,400	446,445,900	17,463,225		
December	520,788,000	18,613,300	490,634,300	31,411,625		

Deposits reached the highest amount, $623,045,000 on July 31, 1897, and the surplus reserve $111,628,000 on February 8, 1894.

Boston and Philadelphia Banks.—The changes in the condition of the clearing-house banks of Boston and Philadelphia are shown in the following table:

Boston Banks.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
July 3	$179,052,000	$180,785,000	$10,674,000	$7,647,000	$7,952,000	$122,457,300
" 10	179,870,000	182,112,000	10,470,000	7,624,000	7,946,000	94,780,600
" 17	180,399,000	182,873,000	10,799,000	8,493,000	7,979,000	108,103,600
" 24	180,969,000	182,170,000	10,913,000	9,392,000	7,904,000	97,379,200
" 31	181,883,000	178,895,000	10,580,000	9,808,000	7,929,000	75,733,100

Philadelphia Banks.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
July 3	$111,823,000	$117,621,000	$34,993,000	$6,794,000	$70,271,800
" 10	112,038,000	117,621,000	34,693,000	6,862,000	50,884,900
" 17	113,005,000	118,952,000	35,575,000	6,846,000	59,869,500
" 24	112,944,000	118,484,000	35,791,000	6,897,000	59,558,400
" 31	112,426,000	117,981,000	36,014,000	6,865,000	50,654,500

Government Revenues and Disbursements.—The statement of the Treasury for the first month of the new fiscal year is a disappointing one, a deficit of nearly $11,000,000 being shown. This has been exceeded only twice in the last four years, in July, 1896, and in October, 1894, in each of which months the deficit exceeded $13,000,000. In both those months the revenues were small, about $29,000,000 in July, 1896, and $19,000,000 in October, 1894. Last month the reveuues were $39,000,000, the largest in four years with the single exception of August, 1894, when they were nearly $40,500,000. The deficit, therefore, is due to increased expenditures which last month were nearly $50,000,000, exceeding by nearly $8,000,000

the largest total for any month since 1893, the previous high record having been made in July, 1896. Compared with that month there is an increase of $1,600,000 in civil and miscellaneous expenditures, of nearly $5,500,000 in war, and of $1,800,000 in pensions. The deficit in July is equal to one-half of the total for the entire previous fiscal year. There was a deficit in July last year of more than $18,000,000; but that being largely due to abnormal revenues while the deficit this year is in the face of exceptionally large revenues, it is a serious question how further deficits are to be avoided.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.			EXPENDITURES.		
Source.	*July, 1897.*	*Since July 1, 1897.*	*Source.*	*July, 1897.*	*Since July 1, 1897.*
Customs	$16,966,802	$16,966,802	Civil and mis.	$13,959,000	$13,959,000
Internal revenue	19,767,832	19,767,832	War	10,703,000	10,703,000
Miscellaneous	2,292,730	2,292,730	Navy	2,998,000	2,998,000
			Indians	769,000	769,000
			Pensions	14,958,000	14,958,000
Total	$39,027,364	$39,027,364	Interest	6,506,000	6,506,000
Excess of expenditures	$10,865,636	$10,865,636	Total	$49,893,000	$49,893,000

UNITED STATES TREASURY CASH RESOURCES.

	Apr. 30.	*May 29.*	*June 30.*	*July 30.*
Net gold	$153,354,638	$144,261,249	$140,754,114	$[illegible]
Net silver	21,414,112	24,728,126	31,102,356	[illegible]
U. S. notes	27,841,703	32,409,910	35,761,622	29,175,995
Miscellaneous assets (less current liabilities)	11,746,928	13,293,263	12,503,172	14,879,408
Deposits in National banks	16,776,302	17,300,952	17,330,935	16,991,618
Available cash balance	$231,133,684	$231,993,500	$237,452,199	$238,511,604

UNITED STATES GOVERNMENT RECEIPTS AND EXPENDITURES AND NET GOLD IN THE TREASURY.

MONTH.	*1896.*			*1897.*		
	Receipts.	*Expenditures.*	*Net Gold in Treasury.*	*Receipts.*	*Expenditures.*	*Net Gold in Treasury.*
January	$29,237,670	$22,529,340	$49,845,507	$24,316,994	$30,269,389	$144,800,402
February	26,059,228	26,749,956	123,962,979	24,400,997	28,796,056	148,661,209
March	26,041,149	27,274,994	123,646,461	26,217,662	27,212,908	152,786,464
April	24,282,803	23,987,381	125,303,900	27,812,135	32,072,097	153,340,889
May	24,643,718	28,426,502	108,345,234	29,797,300	29,109,259	144,319,562
June	27,794,219	25,444,789	101,699,605	26,584,708	22,934,694	140,790,738
July	29,029,209	42,068,468	110,718,746	39,027,364	49,896,000	*143,926,401
August	25,562,097	35,701,676	100,957,561			
September	24,584,244	26,579,535	124,084,672			
October	26,282,829	33,978,277	117,126,523			
November	25,210,696	33,260,720	131,510,352			
December	25,857,114	23,812,664	137,316,543			

* This balance as reported in the Treasury sheet on the last day of the month.

NATIONAL BANK CIRCULATION.—There was a decrease in National bank notes outstanding last month of nearly $600,000, which leaves the total only about $5,000,000 more than it was a year ago. About $360,000 of bonds deposited to secure circulation were withdrawn, and $400,000 of lawful money deposited to retire circulation was released from the Treasury.

NATIONAL BANK CIRCULATION.

	Apr. 30, 1897.	*May 31, 1897.*	*June 30, 1897.*	*July 31, 1897.*
Total amount outstanding	$232,802,244	$231,790,151	$231,356,126	$230,758,936
Circulation based on U. S. bonds	208,768,549	207,139,381	206,695,226	206,498,956
Circulation secured by lawful money	24,033,695	24,650 770	24,665,788	24,259,980
U. S. bonds to secure circulation:				
Four per cents. of 1895	35,397,550	33,495,050	32,833,550	32,781,050
Pacific RR. bonds, 6 per cent	8,573,000	8,673,000	8,837,000	8,787,000
Funded loan of 1891, 2 per cent	22,318,650	22,347,900	22,168,900	22,271,150
" " 1907, 4 per cent	150,978,750	150,918,250	150,903.750	150,543,750
Five per cents. of 1894	15,481,350	15,481,350	15,728,350	15,728,350
Total	$232,749,300	$230,915,550	$230,471,550	$230,111,300

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1895, $2,580,000; Pacific Railroad 6 per cents., $375,000; 2 per cents of 1891, $1,285,500; 4 per cents of 1907, $11,965,000; 5 per cents. of 1894, $585,000, a total of $16,780,500.
The circulation of National gold banks, not included in the above statement, is $85,320.

MONEY IN THE UNITED STATES TREASURY.—The Treasury lost about $650,000 in net cash last month, but has about $3,300,000 less gold coin than it held a month ago, while there is an increase of about an equal amount in gold bullion. The Treasury has been increasing its holdings of silver coin, bullion and Treasury notes of 1890, but lost $5,000,000 in United States notes

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1897.	*June 1, 1897.*	*July 1, 1897.*	*Aug. 1, 1897.*
Gold coin	$120,638,598	$155,167,732	$152,529,575	$149,114,826
Gold bullion	54,565,385	26,539,659	25,547,082	28,929,752
Silver Dollars	384,584,572	397,511,546	399,992,540	400,338,020
Silver bullion	110,815,247	106,042,492	104,591,039	105,109,460
Subsidiary silver	14,215,766	16,210,920	16,210,344	16,286,660
United States notes	85,313,258	97,882,313	98,097,428	94,291,064
National bank notes	14,278,970	7,109,698	5,080,919	5,688,791
Total	$784,411,796	$806,414,360	$801,908,937	$799,758,573
Certificates and Treasury notes, 1890, outstanding	529,044,460	552,583,043	540,657,484	539,064,416
Net cash in Treasury	$255,367,336	$253,831,317	$261,341,453	$260,694,157

MONEY IN CIRCULATION.—There was a small increase in the volume of circulation in July—less than $500,000. There was a decrease in all kinds of money in circulation excepting in legal tenders (greenbacks) and currency certificates.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1897	*June 1, 1897.*	*July 1, 1897.*	*Aug. 1, 1897.*
Gold coin	$517,743,229	$520,221,923	$519,146,675	$519,074,302
Silver dollars	58,581,819	53,007,095	52,001,202	51,655,722
Subsidiary silver	62,101,986	60,306,988	59,228,540	59,131,282
Gold certificates	37,887,439	37,387,829	37,285,919	37,226,879
Silver certificates	358,655,800	362,768,808	358,336,368	357,908,650
Treasury notes, Act July 14, 1890	84,171,221	96,641,406	89,905,197	81,563,887
United States notes	261,367,758	248,848,703	248,582,578	252,389,962
Currency certificates, Act June 8, 1872	50,330,000	65,785,000	61,130,000	62,335,000
National bank notes	221,384,143	224,766,143	226,410,767	225,155,465
Total	$1,650,223,400	1,659,733,895	$1,646,028,246	$1,646,471,139
Population of United States	72,159,000	72,807,000	72,987,000	73,068,000
Circulation per capita	$22.87	$22.80	$22.57	$22.53

THE SUPPLY OF MONEY IN THE COUNTRY.—The total stock of money in the country decreased $204,000 in July, the entire loss being accounted for in the reduction in National bank notes outstanding.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1897.	June 1, 1897.	July 1, 1897.	Aug. 1, 1897.
Gold coin	$638,381,827	$675,389,655	$671,676,250	$668,189,128
Gold bullion	54,565,385	26,539,569	25,547,082	28,929,752
Silver dollars	442,166,391	450,518,641	451,993,742	451,993,742
Silver bullion	110,815,247	106,042,492	104,591,089	105,109,460
Subsidiary silver	76,317,752	76,517,908	75,438,884	75,417,942
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	235,663,118	231,875,841	231,441,886	230,844,256
Total	$1,905,590,736	$1,913,665,212	$1,907,369,699	$1,907,165,296

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

UNITED STATES PUBLIC DEBT.—There was an increase in the net public debt last month of nearly $7,000,000, which is represented by a decrease in the net cash balance in the Treasury to that amount, the principal of the interest and non-interest bearing debt showing no important change. There was a further reduction of $2,000,000 in certificates and Treasury notes offset by cash in the Treasury, making $16,000,000 retired since May 1.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1897.	June 1, 1897.	July 1, 1897.	Aug 1, 1897.
Interest bearing debt:				
Funded loan of 1891, 2 per cent	$25,364,500	$25,364,500	$25,364,500	$25,364,500
" " 1907, 4 "	559,638,900	559,639,850	559,640,100	559,640,650
Refunding certificates, 4 per cent	45,890	45,280	45,130	44,770
Loan of 1904, 5 per cent	100,000,000	100,000,000	100,000,000	100,000,000
" 1925, 4 "	162,315,400	162,315,400	162,315,400	162,315,400
Total interest-bearing debt	$847,364,690	$847,365,030	$847,365,130	$847,365,320
Debt on which interest has ceased	1,383,070	1,348,510	1,346,880	1,336,340
Debt bearing no interest:				
Legal tender and old demand notes	346,735,363	346,735,363	346,735,363	346,735,363
National bank note redemption acct	18,876,333	24,450,719	24,458,637	24,138,377
Fractional currency	6,890,504	6,889,241	6,887,702	6,887,702
Total non-interest bearing debt	$372,502,201	$378,084,324	$378,081,702	$377,761,442
Total interest and non-interest debt	1,221,249,961	1,226,797,864	1,226,793,712	1,226,463,102
Certificates and notes offset by cash in the treasury:				
Gold certificates	39,279,789	38,843,169	38,782,169	38,700,169
Silver "	370,883,504	374,345,504	375,479,504	372,404,504
Certificates of deposit	50,830,000	66,565,000	61,750,000	63,495,000
Treasury notes of 1890	119,816,280	115,782,280	114,867,280	113,914,280
Total certificates and notes	$580,809,573	$595,535,953	$590,878,953	$588,513,953
Aggregate debt	1,802,059,534	1,822,333,817	1,817,672,665	1,814,977,055
Cash in the Treasury:				
Total cash assets	853,463,551	867,498,836	871,399,358	867,961,962
Demand liabilities	625,148,172	637,383,014	631,251,732	634,945,476
Balance	$228,320,379	$230,113,812	$240,137,626	$233,016,456
Gold reserve	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance	128,320,379	130,113,812	140,137,626	133,016,456
Total	$228,320,379	$230,113,812	$240,137,626	$233,016,456
Total debt, less cash in the Treasury	902,929,582	906,684,052	986,656,086	993,446,646

FOREIGN TRADE MOVEMENTS.—The imports of merchandise in June were the largest in years, except only those in April last, and aggregated nearly $85,000,000, while the exports were $74,000,000, making an excess of imports of $10,651,421. This leaves the net exports for the fiscal year ended June 30, at $287,613,186, the largest ever reported. The exports for the year were $1,051,987,091, that also being the largest on record. We exported net gold coin and bullion during the month $6,973,535 and imported $440,510 gold in ore. The net exports of silver coin and bullion were $4,131,981 and net imports of ore $2,044,013. For the year we imported $41,298,611 gold coin and bullion and $3,355,184 ore, and exported $50,050,301 silver coin and bullion and imported $18,630,890 silver ore.

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of July, and the highest and lowest during the year 1897, by dates, and also, for comparison, the range of prices in 1896:

	YEAR 1896.		HIGHEST AND LOWEST IN 1897.		JULY, 1897.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	18	8¼	15⅜—Feb. 1	9⅛—Apr. 19	14¼	12	14⅛
" preferred	28⅛	14½	29¼—July 29	17 —Apr. 19	29¼	23¾	28⅜
Atlantic & Pacific	1	⅜	½—Jan. 14	⅛—Apr. 7	¼	⅛	¼
Baltimore & Ohio	44	10⅛	18 —Jan. 8	9 —July 10	11	9	10
Bay State Gas	33	7	15⅝—June 25	7¾—Apr. 17	14¼	10⅝	14
Brooklyn Rapid Transit	25½	18	35½—July 23	18⅝—Jan. 7	35½	28	33
Canadian Pacific	62¾	52	72⅛—July 29	46⅛—Mar. 29	72⅛	64¼	72⅛
Canada Southern	51¾	40¾	53¼—July 30	44⅛—Jan. 13	53¼	49¼	53¼
Central of New Jersey	110	87½	103¾—Jan. 19	68¼—May 24	91⅞	82½	89⅞
Central Pacific	16⅛	13⅛	15 —Jan. 5	7⅛—Apr. 20	10	8⅛	10
Ches. & Ohio vtg. ctfs.	18½	11	20¾—July 31	15⅜—Mar. 29	20¾	16⅞	20¾
Chicago & Alton	164	146	170 —Mar. 1	147 —July 22	157	147	157
Chicago, Burl. & Quincy	83¾	53	89¾—July 24	69⅜—Jan. 5	89¼	81¾	88
Chicago & E. Illinois	43	37½	45 —Mar. 13	37¼—June 7	43	43	43
" preferred	100½	90	101 —June 26	95 —Feb. 8	99	98½	99
Chicago Gas	78¾	44⅜	90⅝—July 22	73¼—Jan. 5	90⅝	92⅝	99
Chic., Milwaukee & St. Paul.	80	59⅞	80 —July 24	60¼—Apr. 19	80	81¾	87⅜
" preferred	131	117½	141⅜—July 31	130¼—May 6	141⅜	130⅝	141⅜
Chicago & Northwestern	106¾	85½	118½—July 19	101½—Apr. 19	118½	115⅝	117⅝
" preferred	152	140¾	165 —July 13	153 —Jan. 12	165	161	162
Chicago, Rock I. & Pacific	74⅞	49¼	83½—July 26	60¼—Apr. 19	83½	73	82
Chic., St. Paul, Minn. & Om.	49¾	30⅝	66⅞—July 22	47 —Jan. 2	66⅞	62½	65⅞
" preferred	133	117	148 —July 26	133 —Jan. 7	148	148	148
Clev., Cin., Chic. & St. Louis.	30½	19½	33⅜—Mar. 17	21¼—June 1	29⅝	24	28½
" preferred	90½	73	80 —May 6	63 —June 16	65	64⅞	65
Col. Coal & Iron Devel. Co.	4½	¼	1¼—June 18	⅜—July 2	⅝	½	⅝
Col. Fuel & Iron Co.	34½	14⅜	27 —Jan. 19	15⅜—May 11	20⅜	16⅝	20⅛
Col. Hocking Val. & Tol.	30½	12½	18 —Jan. 8	11½—Apr. 30	3¾	2⅝	3
" preferred	60	48	46 —Jan. 21	15 —July 26	25	15	15
Consolidated Gas Co.	168	133	179½—July 30	136½—Jan. 2	179	164	179
Delaware & Hud. Canal Co.	129⅝	114½	121¾—Jan. 6	99⅝—Apr. 1	119¾	109½	117
Delaware, Lack. & Western.	166	138	158½—July 2	146½—May 20	158½	156¾	157⅛
Denver & Rio Grande	14	10	12¾—Jan. 19	9¼—Apr. 20	12	11⅜	12
" preferred	51	37	46⅜—July 31	36 —Apr. 20	46⅜	42	46⅜
Edison Elec. Illum. Co., N. Y.	101¼	89	122¾—July 29	101⅜—Jan. 2	122¾	116	122¾
Erie	17¾	10¼	16 —July 31	11½—Apr. 19	16	14¼	16
" 1st pref	41¾	27	38 —July 30	27 —Apr. 19	38	33¾	37¼
" 2d pref	25	13	21 —Jan. 15	15⅛—May 24	20⅝	18½	20½
Evansville & Terre Haute	34½	24	21 —June 2	20 —June 8	20	20	20
Express Adams	154	135	155 —Jan. 9	147¾—Feb. 11	155	152	155
" American	116	105	116 —July 27	109½—Jan. 28	116	113	115⅜
" United States	48	35	48 —July 23	37 - Feb. 3	48	40	48
" Wells, Fargo	101	80	109½—July 21	97 —Jan. 2	109½	101	109
Great Northern, preferred	122	108¼	126 —July 19	120 —Jan. 16	126	123	126
Illinois Central	98	84½	102 —July 30	91¼—Apr. 19	102	97	102
Iowa Central	10¼	5½	8¼—June 18	6 —Apr. 15	8¼	7¼	8
" preferred	38	19	31½—July 20	23 —June 8	31½	27½	31¼
Laclede Gas	30	17	30½—July 23	22 —May 4	30½	23¾	30
" preferred	86¼	68¼	84 —July 29	70¾—Mar. 23	84	81	84
Lake Erie & Western	22½	12½	18⅛—Jan. 18	13 —July 15	17⅜	13	17⅜
" preferred	75	55½	72 —July 28	58¼—Apr. 1	72	64	70¾
Lake Shore	156	134½	175 —June 22	152 —Jan. 2	171¼	170	171
Long Island	84	40½	55 —Jan. 8	40 —June 10	42	42	42
Louisville & Nashville	55⅝	37½	55⅝ July 29	40½—Apr. 19	55⅝	49½	55⅛
Louis., N. A. & Chic., Tr. ctfs.	10½	¼	½—June 23	¼—Jan. 11	....	....	....
" preferred	24¾	1	....	....	....	....	....
Manhattan consol	113¾	73¼	94⅝—July 28	81¾—May 7	94⅝	89¼	93⅞
Metropolitan Traction	114	79¼	112¾—July 29	99⅝—May 3	112¼	108¾	112
Michigan Central	97⅞	89	103¾—July 26	90 —Jan. 28	102½	100	102¼
Minneapolis & St. Louis	21¾	12	25 —July 14	16 —May 14	25	20¼	24½
" 1st pref	83	54	86¼—July 30	77¾—Mar. 18	86¼	82	86½
" 2d pref	53¾	30	57 —July 29	46 —Feb. 26	57	50⅝	55
Missouri, Kan. & Tex	14¾	9⅛	14⅜—July 29	10 —Apr. 19	14⅜	13¾	14⅜
" preferred	31⅜	16	35½—July 25	24¾—Apr. 19	35½	30	35

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1896.		Highest and Lowest in 1897.				July, 1897.		
	High.	*Low.*	*Highest.*		*Lowest.*		*High.*	*Low.*	*Closing.*
Missouri Pacific	29¾	15	27 —July	29	10 —May	6	27	18⅝	25⅞
Mobile & Ohio	25	14	24 —July	30	18 —June	3	24	19	24
N. Y. Cent. & Hudson River	99¾	88	108¼—June	28	92⅛—Feb.	18	102⅝	100¼	101½
N. Y. Chicago & St. Louis	15	9	14⅞—Mar.	15	11 —Feb.	11	14	13¾	14
" 1st preferred	80	67½	75 —Mar.	17	67⅜—Apr.	15	....	....	....
" 2d preferred	35⅝	20	34⅞—Mar.	17	24 —Feb.	10	34⅜	32½	34
N. Y., New Haven & Hartf'd.	186	160	178 —Jan.	4	160 —Feb.	2	175	173½	175
N. Y., Ontario & Western	16⅝	11⅛	16¾—July	29	12¾—Apr.	19	16¾	14¾	16½
N. Y., Sus. & Western	12	6	15¾—July	23	6⅛—May	28	15¼	10	15
" preferred	31¼	12	35½—July	15	18¼—May	20	35½	27	35⅝
Norfolk & Western	12¾	⅛	14¼—Mar.	11	9 —Apr.	19	11	11	11
" preferred	19¾	4½	30¼—June	11	17 —Feb.	16	30¼	28½	30¼
North American Co	6¼	3½	5¼—July	30	3⅝—Apr.	20	5½	4	5
Northern Pacific tr. receipts	16⅞	¼	16⅝—Feb.	1	11 —Apr.	19	15⅝	13⅝	15½
" pref tr. receipts	36	10	45½—July	31	32½—Jan.	5	45½	39¾	45⅝
Oregon Railway & Nav	24	10	24⅝—July	28	10 —Apr.	20	24⅝	19	24½
" preferred	40¼	35	65 —July	29	37½—Jan.	8	65	52	63
Oregon Short Line	18⅛	3½	20½—July	14	10⅞—Mar.	30	20½	17¼	18¾
Pacific Mail	31	15¼	32¼—July	12	24 —Jan.	9	32¼	29¾	30⅝
Peoria, Dec. & Evansville	3⅞	1¼	2½—Jan.	8	¼—June	2	2½	⅝	1½
Pitts., Cin. Chic. & St. Louis	18¼	11	15¾—July	30	11⅝—Mar.	29	15¾	13	15½
" preferred	59	40⅛	55½—July	19	44⅜—June	25	55½	48½	54
Pullman Palace Car Co	164	138	171 —July	29	152 —Jan.	2	171	167¼	170
Reading Voting Tr. ctfs	....	....	24⅞—July	29	16¼—Apr.	19	24⅞	21⅛	24½
" 1st prefered	....	....	53¼—July	29	38⅛—Apr.	19	53¼	45½	51⅝
" 2d preferred	....	....	30⅝—July	29	22½—Apr.	19	30⅝	27	29⅞
Rome, Wat. Ogdens' g	118	108	120 —July	16	117 —Jan.	26	120	119	120
St. Louis & San Francisco	5⅝	4	6 —June	14	4 —Apr.	19	5⅞	5	5⅞
" 1st preferred	37	34¼	50⅛—June	18	37 —Jan.	29	48¼	45¾	47⅝
" 2d preferred	14⅛	12	17¼—June	15	12 —Apr.	15	17¼	16	17¼
St. Louis & Southwestern	5¾	2⅞	4⅜—Jan.	18	1 —Apr.	1	4¾	3¼	4½
" preferred	13	6¼	11½—Jan.	18	3½—Apr.	1	11¼	8¼	10¾
St. Paul & Duluth	27½	15	23 —July	28	20 —Jan.	4	23	21¼	23
" preferred	91	75	87 —Feb.	3	75 —Apr.	20	....	....	....
St. Paul, Minn. & Manitoba	115	105	118 —Mar.	3	114 —Jan.	28	....	....	....
Southern Pacific Co	22¼	14	16⅞—July	31	13½—Jan.	13	16⅞	15	16⅞
Southern Railway	11¾	6¼	10 —Jan.	16	7 —Apr.	19	10	8¼	9¾
" preferred	33¼	15½	32¾—July	29	22⅞—Mar.	19	32¾	28⅝	32½
Tennessee Coal & Iron Co	34¾	13	31 —Jan.	18	17 —May	20	26½	21⅝	25½
Texas & Pacific	12	5	12⅝—July	29	8 —Apr.	1	12⅝	10½	12¼
Union Pacific trust receipts	12½	3⅞	10 —Jan.	5	4½—Apr.	19	8¼	5⅞	8
Union Pac., Denver & Gulf	5½	1⅝	3 —July	21	1 —Apr.	24	3	2	3
Wabash R. R.	8	4½	7⅛—Jan.	16	4⅝—Mar.	29	7⅛	5¼	7¼
" preferred	19¾	11	1^ —July	29	11½—Apr.	19	18	14¼	17¾
Western Union	90¼	72¾	86⅛—Mar.	16	77¾—Apr.	30	83½	83½	85⅞
Wheeling & Lake Erie	13¼	5¼	6¼—Jan.	2	½—June	1	2	⅝	1⅝
" preferred	40¾	20⅝	29 —Jan.	5	8⅝—Apr.	15	6¼	3½	6½
Wisconsin Central	4⅜	1⅝	2½—Jan.	6	1 —June	3	2	1½	1½
"Industrial" Stocks:									
American Co. Oil Co	19	8	17½—July	29	9¼—May	28	17½	13¼	17
" preferred	68⅞	37	68 —July	30	52¾—Feb.	16	68	62⅞	67¾
American Spirits Mfg Co	14⅞	4½	14½—Jan.	19	9¼—Apr.	23	14	11	13¾
" preferred	33¼	14¾	34⅞—Mar.	15	26 —Jan.	5	33	28¼	32⅝
American Sugar Ref. Co	129⅝	95	146¾—July	30	109¼—Mar.	29	146¼	129⅝	13-½
" preferred	104	92¼	117 —July	19	100¾—Jan.	7	117	107⅝	111¼
American Tobacco Co	95	51	85 —July	27	67¾—Feb.	15	85	73½	83⅞
" preferred	106	95	112 —July	27	100 —Feb.	11	112	108	111
General Electric Co	30½	20	36¼—Feb.	2	28⅝—May	19	36⅛	33	35¼
National Lead Co	28⅝	16	36 —July	22	21¾—Feb.	16	36	28⅝	33¾
" preferred	92¾	75	103¾—July	22	88⅜—Feb.	13	103¾	98½	102¼
National Linseed Oil Co	21¼	11¼	16 —July	30	10 —May	17	16	14½	15¼
National Starch Manfg. Co	7¾	4¾	6 —July	29	3 —May	5	6	4½	6
Standard Rope & Twine Co	12½	8⅛	11¾—Jan.	19	3¼—June	29	9½	4⅜	8¼
U. S. Leather Co	11⅞	5¼	9⅝—Jan.	19	6¼—Apr.	19	8¼	7¾	7¾
" preferred	69⅛	41½	64 —Jan.	19	50¼—Apr.	29	63¾	59	62¾
U. S. Rubber Co	29	14½	25¼—Jan.	19	10 —June	3	15½	10	14¼
" preferred	89	65	76⅞—Jan.	5	50 —July	20	59½	50	58

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	JULY SALES. High.	Low.	Total.
Ala. Midland 1st gold 6s	1928	2,800,000	M & N	92	Apr. 13,'95	....	....	.....
Ann Arbor 1st g 4's	1995	7,000,000	Q J	80	July 31,'97	80	78½	78,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	109,920,000	A & O	87	July 31,'97	87	84½	2,155,000
" adjustment, g. 4's	1995	51,728,000	NOV	56	July 31,'97	56¼	49½	7,775,000
" Equip. tr. ser. A. g. 5's	1902	1,250,000	J & J	.....		....	....	.....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	.....	.....	....	....	.....
Atlan. av. of Brook'n imp. g. 5's	1934	1,500,000	J & J	82½	Feb. 8,'96	....	....	.....
Atlanta & Danville 1st g. 5's	1950	1,238,000	J & J	90½	Feb. 22,'97	....	....	.....
Atlan. & Pac. Western div. inc.	1910	10,454,000	A & O	⅜	July 20,'97	⅜	¼	87,000
" div. small	1910		A & O	10	Mar. 17,'93	....	....	.....
" Central div. inc	1922	539,000	J & D	4½	Aug. 5,'95	....	....	.....
B. & O. 1st 6's (Parkersburg br.)	1919	3,000,000	A & O	105¼	July 21,'97	106¾	105¼	6,000
" 5's, gold	1885-1925	4,956,000	F&A	78	July 28,'97	82½	78	62,000
" registered			F&A	83	July 30,'97	83	82	20,000
" eng. ctfs of deposit		5,044,000	.....	91	Mar. 25,'97	....	....	.....
B. & O. con. mtge. gold 5's	1988	11,988,000	F&A	90	May 27,'97	....	....	.....
" registered			F&A	107½	Mar. 7,'94	....	....	.....
Balti. Belt. 1st g. 5's int. gtd.	1990	6,000,000	M & N	94	Apr. 26,'97	....	....	.....
W. Virginia & Pitts. 1st g. 5's	1990	4,000,000	A & O	111	Dec. 12,'95	....	....	.....
B & O. Southwest'n 1st g. 4½'s	1990	10,667,000	J & J	102	May 29,'96	....	....	.....
" 1st c. g. 4½'s	1993	10,511,000	J & J	60	June 9,'97	....	....	.....
" 1st inc. g. 5's "A"	2043	8,651,000	NOV	25	Aug. 18,'94	....	....	.....
" "B"	2043	9,655,000	DEC	11	Feb. 8,'96	....	....	.....
B. & O. Sw. Term Co. grtd g 5's	1942	1,200,000	M & N	.....	.....	....	....	.....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	104½	July 1,'92	....	....	.....
Cen. Ohio. Reorg. 1st c. g. 4½'s	1930	2,500,000	M & S	97½	June 22,'97	....	....	.....
Ak. & Chic. Junc. 1st g. s. g. 5's	1930	1,500,000	M & N	102½	Nov. 31,'95	....	....	.....
" coupons off		.....	.....	.....	.....	....	....	.....
Pittsb. & Connellsville 1st g. 4's	1946	2,536,000	J & J	106	June 15,'97	....	....	.....
Broadway & 7th av. 1st con. g. 5's	1943	7,650,000	J&D	119¼	July 22,'97	120¼	119	28,000
" registered			J&D	112½	May 29,'95	....	....	.....
Brooklyn City 1st con. 5's	1941	4,373,000	J & J	114¼	July 13,'97	114¼	114⅛	9,000
Brooklyn Elevated 1st g. 6s's	1924	465,000	A & O	75¼	June 25,'97	....	....	.....
" eng. Trust Co. ctfs		3,035,000	.....	77½	July 27,'97	77¼	78¼	51,000
" 2d g. 5's	1915	123,000	J & J	43	June 19,'97	....	....	.....
" eng. Tr. Co. ctfs		1,126,000	.....	.....	.....	....	....	.....
Seaside & Bkln Bdge 1st g. g. 5's	1942	120,000	J & J	80	Mar. 31,'96	....	....	.....
" eng. Tr. Co. ctfs		1,245,000	.....	66	July 27,'97	66	60	71,000
Union Elevated 1st grtd. g. 6's	1937	936,000	M & N	78	July 26,'97	78	78	5,000
" eng. Tr. Co. ctfs		5,212,000	.....	77¼	July 31,'97	77¼	73¼	72,000
Brooklyn Rapid Transit g. 5's	1945	5,181,000	A & O	88⅞	July 30,'97	90¾	88⅛	3,111,000
Brunswick & Western 1s g. 4's	1938	3,000,000	J & J	74	Sept. 1,'96	....	....	.....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,407,000	M & S	97⅛	June 22,'97	....	....	.....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	128¼	July 15,'97	128¼	128¼	3,000
" cons. 1st 6's	1922	3,920,000	J & D	120	July 19,'97	120	120	8,000
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	121¼	May 26,'96	....	....	.....
Buffalo & Susquehanna 1st g. 5's	1913	1,289,000	A & O	100	Feb. 27,'96	....	....	.....
" registered			A & O	.....	.....	....	....	.....
Burlington, Cedar R. & N. 1st 5's	1906	6,500,000	J & D	108¾	July 23,'97	108¾	107	28,000
" con. 1st & col. tst 5's	1934	6,425,000	A & O	105¾	July 26,'97	105¾	104¼	26,000
" registered			A & O	97	Feb. 9,'93	....	....	.....
Minneap's & St. Louis 1st 7's, g.	1927	150,000	J & D	140	Aug. 24,'95	....	....	.....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	Principal Due	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	JULY SALES. High.	Low.	Total.
Ced. Rap Ia. Falls & Nor. 1st 6's	1920	825,000	A & O	104¾	Apr. 24,'97	....	....	.....
" 1st 5's	1921	1,905,000	A & O	102	July 28,'96	....	....	.....
Canada Southern 1st int. gtd 5's	1908	13,920,000	J & J	111	July 30,'97	111¼	110½	58,000
" 2d mortg. 5's	1913	5,100,000	M & S	108	July 29,'97	108	107¼	22,000
" registered			M & S	106½	May 22,'97	....	....	.....
Col. & Cin. Midla'd, 1st. Ext. 4½'s	1939	2,000,000	J & J	92½	Aug.31,'92	....	....	.....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	90¾	July 8,'97	90¾	90¾	6,000
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	115¼	July 22,'97	116	114½	136,000
" registered $1,000 & $5,000			F & A	....	....	....	....	.....
" con. g. 5's	1945	16,500,600	M & N	93½	July 31,'97	93¾	89¼	776,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	....	....	....	....	.....
" 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	37¾	July 31,'97	38	33¼	784,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	13	July 31,'97	13½	10½	186,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	5	June 18,'97	....	....	.....
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	93	July 19,'97	93	93	20,000
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	95½	July 15,'97	95¼	95¼	2,000
Central Railroad of New Jersey, 1st consolidated 7's	1899	3,836,000	Q J	106¼	July 10,'97	106¼	106¼	1,000
" convertible 7's	1902	1,167,000	M & N	113¾	June 19,'97	....	....	.....
" deb. 6's	1908	466,000	M & N	110	Mar. 23,'97	....	....	.....
" gen. mtg. 5's	1987	41,604,000	J & J	112⅞	July 31,'97	113¼	111	111,000
" registered			Q J	111⅜	July 31,'97	111⅜	110½	66,500
Lehigh & W.-B. con. assd. 7's	1900	5,500,000	Q M	100½	July 30,'97	100½	100	40,000
" mortgage 5's	1912	2,887,000	M & N	78	July 9,'97	78	78	1,000
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	113½	July 22,'97	113½	113½	30,000
N. J. Southern int. gtd 6's	1899	411,000	J & J	104	Nov. 13,'96	....	....	.....
Central Pacific g 6's	1898	14,185,000	J & J	101⅜	July 29,'97	101⅜	101¼	31,000
" ext g 5s series A B C D.	1898	5,598,000	J & J	100¾	July 10,'97	100¾	100¾	2,000
" ext g 5's series E	1898	3,210,000	J & J	102¼	June 10,'97	....	....	.....
" San Joaquin br. g 6's	1900	6,080,000	A & O	102½	June 19,'97	....	....	.....
" gtd. g 5's	1939	11,000,000	A & O	84½	Sept.16,'96	....	....	.....
" land grant g 5's	1900	2,479,000	A & O	96½	May 3,'97	....	....	.....
" Cal. & O. div. ex. g. 7's	1918	4,358,000	J & J	107½	Nov. 27,'95	....	....	.....
Western Pacific bonds 6's	1899	2,735,000	J & J	103	June 16,'97	....	....	....
North. Ry. (Cal.) 1st g. 6's, gtd.	1907	3,964,000	J & J	101	Aug. 5,'95	....	....	.....
" 50 year m. gg. 5's	1938	4,800,000	A & O	88	July 28,'97	88	88	29,000
Cent. Wash. Tr. Co. cts. 1st g. 6's	1938	1,497,000	.....	54	Apr. 21,'96	....	....	.....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'96	....	....	.....
Ches. & Ohio pur. money fd.	1898	2,287,000	J & J	102¼	July 2,'97	102¼	102¼	3,000
" 6's, g., Series A	1908	2,000,000	A & O	121¼	July 20,'97	121¾	121¼	5,000
" Mortgage gold 6's	1911	2,000,000	A & O	122¼	July 29,'97	122½	121½	21,000
" 1st con. g. 5's	1939	23,571,000	M & N	111	July 29,'97	111¼	110¾	71,000
" registered			M & N	107½	May 3,'97	....	....	.....
" Gen. m. g. 4½'s	1992	21,808,000	M & S	79¾	July 31,'97	79¾	76½	800,000
" registered			M & S	85	Dec. 30,'93	....	....	.....
" (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	104	July 19,'97	104⅛	102	56,000
" 2d con. g. 4's	1989	1,000,000	J & J	92	July 20,'97	92	92	16,000
" Craig Val. 1st g. 5's	1940	650,000	J & J	92½	June 17,'96	....	....	.....
" Warm S. Val. 1st g. 5's	1941	400,000	M & S	98	Dec. 21,'93	....	....	.....
" Elz. Lex. & B. S. g. g. 5's	1902	3,007,000	M & S	101	July 29,'97	101	100¾	25,000
Ches. Ohio & S'thwestern m. 6's	1911	6,176,800	F & A	105½	Feb. 15,'95	....	....	.....
" 2d mtge. 6's	1911	2,895,000	F & A	48½	Sept. 10,'95	....	....	.....
Ohio Val. g. con. 1st gtd. g. 5's	1938	1,984,000	J & J	110¼	Aug. 22,'93	....	....	.....
Chicago & Alton s'king fund 6's	1903	1,832,000	J & J	113	Nov. 23,'96	....	....	.....
Louisiana & Mo. Riv. 1st 7's	1900	1,785,000	F & A	110¼	May 13,'97	....	....	.....
" 2d 7's	1900	300,000	M & N	112	June 17,'96	....	....	.....
St. Louis, J. & C. 2d gtd 7's	1898	188,000	J & J	104¾	Apr. 25,'97	....	....	.....
Miss. Riv. Bdge 1st s. f'd g. 6's	1912	547,000	A & O	105½	Oct. 30,'95	....	....	.....
Chicago, Burl. & North. 1st 5's	1926	8,241,000	A & O	106	July 12,'97	106	106	1,000
Chicago, Burl. & Quincy con. 7's	1903	28,924,000	J & J	117⅜	July 30,'97	117⅜	117	109,000
" 5's, sinking fund	1901	2,315,000	A & O	103½	June 12,'97	....	....	.....
" 5's, debentures	1913	9,000,000	M & N	102¾	July 29,'97	103	102	83,000
" convertible 5's	1903	15,263,900	M & S	106	July 29,'97	106	104½	95,000
" (Iowa div.) sink. f'd 5's	1919	2,818,000	A & O	109	June 9,'97	....	....	.....
" 4's	1919	7,571,000	A & O	101	July 13,'97	101	101	2,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	Principal Due.	Amount.	Int's paid.	LAST SALE. Price.	Date.	JULY SALES. High.	Low.	Total.
" Denver div. 4's	1922	6,141,000	F & A	97⅛	June 25,'97	....	....	.....
" 4's	1921	3,300,000	M & S	88¼	Nov. 6,'93	....	....	.....
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	107½	Jan. 18,'96	....	....	.....
" Nebraska extensi'n 4's	1927	26,411,000	M & N	94⅜	July 31,'97	94¾	92⅛	400,000
" registered			M & N	91	July 10,'97	91	91	5,000
" Han. & St. Jos. con. 6's	1911	8,000,000	M & S	122¼	July 7,'97	122¼	122¼	10,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	115	Apr. 15,'97	....	....	.....
" small bonds			J & D	112	Apr. 2,'96	....	....	.....
Chic. & E. Ill. 1st con. 6's, gold	1934	2,653,000	A & O	127¼	July 1,'97	127¼	127	10,000
" gen. con. 1st 5's	1937	9,767,000	M & N	101⅜	July 30,'97	101⅞	101	133,000
" registered			M & N	99½	May 14,'96	....	....	.....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	100	July 27,'97	100	99	6,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st m. 8's P. D.	1898	3,674,000	F & A	107¾	July 21,'97	108½	107¼	41,000
" 2d 7 3-10 P. D.	1898	766,000	F & A	138¼	July 17,'97	138½	138¼	4,000
" 1st 7's $ gold, R. div.	1902	3,736,500	J&J	137	July 29,'97	137	137	5,000
" 1st 7's £	1902		J&J	120	Feb. 8,'94	....	....	.....
" 1st m. Iowa & D. 7's	1899	421,000	J & J	120½	June 30,'97	....	....	.....
" 1st m. C. & M. 7's	1903	2,391,000	J & J	135⅝	July 2,'97	135⅝	135⅝	5,000
Chicago Mil. & St. Paul con. 7's	1905	11,297,000	J & J	137½	July 28,'97	137½	135⅝	64,000
" 1st 7's, Iowa & D. ex.	1908	3,505,000	J & J	137¾	July 30,'97	137¾	136¼	30,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	118½	July 26,'97	118½	116½	7,000
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	113	June 2,'97	....	....	.....
" 1st So. Min. div. 6's	1910	7,432,000	J & J	118¼	July 27,'97	118¼	117	33,000
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	128½	July 22,'97	128¾	128	17,000
" 5's	1910	990,000	J & J	107½	July 6,'97	107½	107½	1,000
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	121¼	June 25,'97	....	....	.....
" 1st Chic. & P. W. 5's	1921	25,340,000	J & J	116½	July 20,'97	116½	115½	25,000
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	113	June 4,'97	....	....	.....
" Mineral Point div. 5's	1910	2,840,000	J & J	109	June 3,'97	....	....	.....
" Chic. & Lake Sup. 5's	1921	1,360,000	J & J	114	June 24,'97	....	....	.....
" Wis. & Min. div. 5's	1921	4,755,000	J & J	112¼	July 9,'97	112¼	111½	3,000
" terminal 5's	1914	4,748,000	J & J	112¼	July 23,'97	113¼	112	19,000
" Far. & So. 6's assu	1924	1,250,000	J & J	118	Sept. 20,'94	....	....	.....
" mtg. con. si'k. f'd 5's	1916	1,680,000	J & J	106½	July 9,'97	106½	106¼	5,000
" Dakota & Gt. S. 5's	1916	2,856,000	J & J	110½	July 27,'97	110½	109½	20,000
" g. m. g. 4's, series A	1989	29,710,000	J & J	102½	July 31,'97	103⅜	101½	292,000
" registered		.....	Q J	94½	Dec. 11,'95	....	....	.....
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	118	June 22,'97	....	....	.....
" 1st convt. 6's	1913	5,092,000	J & D	118⅝	Feb. 15,'97	....	....	.....
C. Tm. Tns. U. S. Tr. Co. cfs of prop.		18,870,000	.....	43¼	July 31,'97	43¼	42⅝	206,000
Chic. & Northwestern cons. 7's	1915	12,771,000	Q F	146	July 28,'97	147	146	21,000
" coupon gold 7's	1902	12,336,000	J & D	117½	July 30,'97	117¾	117	23,000
" registered d. gold 7's	1902		J & D	116½	June 7,'97	....	....	.....
" sinking fund 6's	1879-1929	5,591,000	A & O	117½	July 28,'97	117½	117¼	2,000
" registered			A & O	117½	July 13,'97	117½	117½	5,000
" 5's	1879-1929	7,237,000	A & O	113	July 19,'97	113	112	13,000
" registered			A & O	106	Apr. 5,'97	....	....	.....
" debenture 5's	1933	9,800,000	M & N	117¾	July 28,'97	117¾	117¼	13,000
" registered			M & N	112½	May 7,'97	....	....	.....
" 25 year deben. 5's	1909	6,000,000	M & N	109⅝	July 29,'97	109¼	109¼	5,000
" registered			M & N	108½	July 13,'96	108½	108½	6,000
" 30 year deben. 5's	1921	9,800,000	A & O	113⅝	July 23,'97	113⅝	113⅝	5,000
" registered			A & O	107	Nov. 20,'95	....	....	.....
" extension 4's	1886-1926	18,632,000	F A 15	106	July 13,'97	106	105	6,000
" registered			F A 15	100	Nov. 10,'96	....	....	.....
Escanaba & L. Superior 1st 6's	1901	720,000	J & J	107½	Nov. 28,'96	....	....	.....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	.....
Iowa Midland 1st mortg. 8's	1900	1,350,000	A & O	116	July 9,'96	....	....	.....
Chic. & Milwaukee 1st mtg. 7's	1898	1,700,000	J & J	106	June 14,'97	....	....	.....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	127	Apr. 17,'96	....	....	.....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	108	Jan. 7,'96	....	....	.....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	108	Nov. 20,'96	....	....	.....
Northern Illinois 1st 5's	1910	1,500,000	M & S	107	Nov. 28,'96	....	....	.....
Mil., Lake Shore & We'n 1st 6's	1921	5,000,000	M & N	135	July 22,'97	135	133¼	9,000
" con. deb. 5's	1907	436,000	F & A	105¼	Feb. 24,'97	....	....	.....
" ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	117	July 30,'97	117	116	5,000
" Michigan div. 1st 6's	1924	1,281,000	J & J	130	May 28,'97	....	....	.....
" Ashland div. 1st 6's	1925	1,000,000	M & S	134	July 22,'97	134	134	15,000
" income		500,000	M & N	110¼	July 2,'96	110¼	110¼	1,000
Chic., Rock Is. & Pac. 6's coup.	1917	12,100,000	J & J	132	July 30,'97	132	131⅛	7,000
" 6's registered	1917		J & J	130¾	Apr. 30,'97	....	....	.....

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	JULY SALES. High.	Low.	Total.
" exten. and collat. 5's	1934	40,381,000	J & J	105⅝	July 30,'97	106½	105¼	399,000
" registered			J & J	104¾	July 23,'97	105	104¾	30,000
" debenture 5's	1921	4,500,000	M & S	103	July 30,'97	108	100½	111,000
" registered			M & S					
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	88¼	June 12,'96			
" 1st 2½'s	1905	1,200,000	J & J	64¼	July 13,'97	64¼	64¼	2,000
" extension 4 s		672,000	J & J	83	Mar. 15,'97			
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	103¼	July 22,'97	103¼	103¼	2,000
" small bond	1923		A & O	100	Apr. 15,'97			
Chic., St.P., Minn.& Oma.con. 6's	1930	13,413,000	J & D	132¼	July 30,'97	132½	131½	17,000
Chic., St. Paul & Minn. 1st 6's	1918	3,000,000	M & N	131	July 27,'97	131	131	2,000
North Wisconsin 1st mort. 6's	1930	800,000	J & J	125	May 4,'88			
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	131½	July 30,'97	131½	131¼	11,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's	1919	1,149,000	M & N	106	June 22,'97			
" gen'l mortg. g. 6's	1932	9,652,666	Q M	119¼	July 28,'97	119½	119¼	4,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	98½	Mar. 13,'98			
" coupons off								
Cin., Ham. & Day. con. s'k. f'd 7's	1905	996,000	A & O	120	July 15,'96			
" 2d g. 4½'s	1937	2,000,000	J & J	103½	Mar. 13,'97			
Cin., Day. & Ir'n 1st gtd. g. 5's	1941	3,500,000	M & N	108	May 28,'97			
City Sub. R'y, Balto. 1st g. 5's	1922	2,490,000	J & D	105⅝	Apr. 17,'95			
Clev., Ak'n & Col. eq. and 2d g.6's	1930	730,000	F & A					
Clev. & Can.Tr.Co.ctfs. 1st 5's for.	1917	2,000,000	.....	68	July 12,'97	68	68	4,000
Clev.,Cin.,Chic.& St.L. gen.m. 4's	1993	7,574,000	J & D	86	May 25,'95			
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	89	Apr. 15,'97			
St. Louis div. 1st col. trust g.4's	1990	9,750,000	M & N	95	July 30,'97	95	94	31,000
" registered			M & N	90	June 10,'96			
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	87	Oct. 22,'95			
White W. Val. div. 1st g. 4's	1940	650,000	J & J	83	Dec. 16,'95			
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	89½	Apr. 15,'97			
Cin.,Ind., St. L. & Chic. 1st g.4's	1936	7,685,000	Q F	101¼	Jnly 27,'97	101¼	101¼	4,000
" registered			Q F	95	Nov. 15,'94			
" con. 6's	1920	738,000	M & N	104	Mar. 29,'98			
Cin.,S'dusky&Clev.con.1st g.5's	1928	2,571,000	J & J	113	Apr. 22,'97			
Ind. Bloom. & W., 1st pfd. 7's	1900	1,000,000	J & J	107¼	Feb. 19,'97			
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J					
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	73⅞	July 28,'97	73⅞	70	88,000
" income 4's	1990	4,000,000	A	15	July 31,'97	15	15	10,000
Clev., C., C. & Ind. 1st 7's s'k. f'd.	1899	3,000,000	M & N	106¾	July 14,'97	107	106½	31,000
" consol mortg. 7's	1914	3,991,000	J & D	133½	June 29,'97			
" sink. fund 7's	1914		J & D	119½	Nov. 19,'89			
" gen. consol 6's	1934	3,205,000	J & J	127¾	May 14,'97			
" registered			J & J					
Cin., Sp. 1st m. C.,C.,C.&Ind. 7's	1901	1,000,000	A & O	106	May 4,'97			
Clev.,Lorain & Wheel'g con.1st 5's	1933	4,300,000	A & O	100	June 29,'97			
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	108	Apr. 14,'97			
" registered			Q J					
Coeur d'Alene 1st g. 6's	1916	380,000	M & S	104	May 5,'92			
" gen. 1st g. 6's	1938	878,000	A & O	102	Jan. 2,'92			
Col.Midld Tr.Co.ctfs.1st g.6's asst.	1936	5,615,000	J & D	63¼	July 26,'97	64½	62¼	158,000
" Tr.Co.cfs.cn.g.4'sstm gtd.	1940	988,000	F & A	21	June 6,'96			
" " assented		3,900,000	.....	5¼	July 31,'97	7	5	366,000
Col'bus & Ninth Av. 1st gtd g. 5's	1993	3,000,000	M&S	119	July 31,'97	120	118¾	32,000
" registered			M&S					
Col., Hock. Val. & Tol. con. g. 5's	1931	733,000	M & S	72¼	July 28,'97	72½	72¼	1,000
" J. P. M. & Co. eng certf		7,267,000	.....	73½	July 30,'97	73¾	72	77,000
" gen. mort. g. 6's	1904	2,000.000	J & D	53	July 31,'97	55	50	17,000
" gen. lien g. 4's	1996	852,000	J & J					
" registered, $5,000			J & J					
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93			
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	128	Apr. 14,'97			
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	125	Apr. 28,'97			
Morris & Essex 1st m 7's	1914	5,000,000	M & N	144	July 28,'97	144	144	1,000
" bonds, 7's	1900	281,000	J & J	109¾	July 30,'97	109¾	109¾	1,000
" 7's	1871-1901	4,991,000	A & O	113½	May 26,'97			
" 1st c. gtd 7's	1915	12,151,000	J & D	143¼	July 10,'97	143¼	143¼	50,000
" registered			J & D	136	June 4,'93			
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	138½	July 22,'97	138½	138½	4,000
" const. 5's	1923	5,000,000	F & A	116¾	June 15,'97			
Warren 2d 7's	1900	750,000	A & O	113¾	Nov. 6,'95			
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	146½	June 24,'97			
" reg	1917		M & S	143	May 4,'96			

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Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	122½	May 22,'97	....	....	.....
" registered			A & O	128½	Feb. 12,'94	....	....	.....
" 6's	1906	7,000,000	A & O	118	June 14,'97	....	....	.....
" registered			A & O	116½	Mar. 22,'97	....	....	.....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	148½	July 27,'97	148½	148½	1,000
" 1st r 7's	1921		M & N	146	Dec. 9,'96	....	....	.....
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	.....		....	....	.....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	.....		....	....	.....
Metropol'n Ry Co. 1st g. g. 6's	1911	913,000	J & J	.....		....	....	.....
Denver & Rio G. 1st con. g. 4's	1936	28,465,000	J & J	88¼	July 29,'97	89	87¼	55,000
" 1st mortg. g. 7's	1900	6,382,500	M & N	110½	July 27,'97	110½	110½	4,000
" impt. m. g. 5's	1928	8,108,500	J & D	85	July 14,'97	85	85	1,000
Detroit, Mac. & Ma. 1d gt. 3½'s	A. 1911	3,028,000	A & O	19½	July 31,'97	19½	18	36,000
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	67	Mar. 24,'95	....	....	.....
" g. 4s	1995	1,250,000	J & D	.....		....	....	.....
Duluth & Iron Range 1st 5's	1937	6,332,000	A & O	102½	July 6,'97	102½	101½	25,000
" registered			A & O	101½	July 23,'80	....	....	.....
" 2d l m 6s	1916	1,000,000	J & J	.....		....	....	.....
Duluth, Red Wing & S'n 1st g. 5's	1928	500,000	J & J	.....		....	....	.....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	101¾	July 30,'97	101¾	101	134,000
Erie, 1st mortgage ex. 7's	1897	2,482,000	M & S	112¼	July 15,'97	112½	112	34,000
" 2d extended 5's	1919	2,149,000	M & N	122	June 23,'97	....	....	.....
" 3d extended 4½'s	1923	4,618,000	M & S	115¾	June 21,'97	....	....	.....
" 4th extended 5's	1920	2,926,000	A & O	120½	July 14,'97	120½	120½	2,000
" 5th extended 4's	1928	709,500	J & D	104¼	May 27,'96	....	....	.....
" 1st cons. gold 7's	1920	16,800,000	M & S	144	July 29,'97	144	143	15,000
" 1st cons. fund c. 7's	1920	3,705,977	M & S	142	Nov. 8,'94	....	....	.....
Long Dock consol. 6's	1953	7,500,000	A & O	135	May 29,'97	....	....	.....
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	137¾	Apl. 23,'97	....	....	.....
Buffalo & Southwestern m 6's	1908	1,500,000	J&J	.....		....	....	.....
" small			J&J	.....		....	....	.....
Jefferson R. R. 1st gtd g 5's	1909	2,800,000	A & O	107	June 16,'97	....	....	.....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	110½	July 31,'97	110½	109½	52,000
N. Y. L. E. & W. Coal & R. R. Co. 1st g currency 6's	1922	1,100,000	M&N	.....		....	....	.....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,306,000	J&J	102	Aug. 31,'96	....	....	.....
Erie R.R. 1st con. g. 4s prior bds.	1996	30,000,000	J&J	89	July 31,'97	90	89	320,000
" " registered			J&J	.....		....	....	.....
" " gen. lien 3-4s	1996	30,927,000	J&J	66¾	July 31,'97	67	64⅞	281,000
" " registered			J&J	.....		....	....	.....
Eureka Springs R'y 1st 6's, g.	1933	500,000	F & A	82	Feb. 10,'97	....	....	.....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	111	May 21,'97	....	....	.....
" 1st General g 5's	1942	2,223,000	A & O	95	Sept. 14,'94	....	....	.....
" Mount Vernon 1st 6's	1923	375,000	A & O	110	May 10,'98	....	....	.....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sep. 15,'91	....	....	.....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	90	Dec. 11,'95	....	....	.....
Flint & Pere Marquette m 6's	1920	3,999,000	A & O	114	Apl. 24,'97	....	....	.....
" 1st con. gold 5's	1939	2,100,000	M & N	80	Apl. 9,'97	....	....	.....
" Port Huron d 1st g 5's	1939	3,083,000	A & O	77¼	July 30,'97	77¼	70	14,000
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	103	Aug. 14,'96	....	....	.....
" 1st land grant ex. g 5's	1930	423,000	J & J	.....		....	....	.....
" 1st con. g 5's	1943	4,370,000	J & J	80½	May 14,'96	....	....	.....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105¾	July 31,'97	105¾	105¾	1,000
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	.....	66¼	July 31,'97	67	66	115,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	57	July 29,'97	57½	52¼	478,000
Gal., Harrisburgh & S. A. 1st 6's	1910	4,756,000	F & A	108	July 15,'97	108	108	1,000
" 2d mortgage 7's	1905	1,000,000	J & D	100	Mar. 22,'97	....	....	.....
" Mex. & Pac. div. 1st 5's	1931	13,418,000	M & N	90¾	July 31,'97	90¾	89¼	158,000
Geo. & Ala. Ry. 1st pref. g. 5's	1945	2,230,000	A & O	103	July 30,'97	103	102¾	14,000
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	83	June 23,'97	....	....	.....
Housatonic R. con. m. g. 5's	1937	2,838,000	M & N	125¼	Feb. 6,'97	....	....	.....
New Haven & Derby con. 5's	1918	575,000	M & N	115¼	Oct. 15,'94	....	....	.....
Houston & Texas Central R. R.								
" 1st Waco & N. 7's	1903	1,140,000	J & J	125	June 29,'92	....	....	.....
" 1st g. 5's (int. gtd)	1937	7,381,000	J & J	109⅝	July 29,'97	109⅝	109¾	3,000
" Con. g. 6's (int. gtd)	1912	3,455,000	A & O	105	June 29,'97	....	....	.....
" Gen. g. 4's (int. gtd.)	1921	4,297,000	A & O	72	July 30,'97	72	68¼	202,000

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" Deben. 6's p. & int. gtd.	1897	705,000	A & O	94	Dec. 6,'95	....	....	.....
" Deben. 4's p. & int. gtd.	1897	411,000	A & O	100	July 6,'97	100	99¾	3,000
Illinois Central 1st g. 4's	1951	1,500,000	J&J	110	July 19,'97	110	110	11,000
" registered			J&J	112½	July 13,'97	112½	112½	3,000
" gold 3½'s	1951	2,499,000	J&J	104	June 4,'96	....	....	.....
" registered			J&J	97	Dec. 17,'95	....	....	.....
" gold 4's	1952	15,000,000	A & O	102	June 3,'97	....	....	.....
" gold 4's regist'd			A & O	100	Dec. 23,'96	....	....	.....
" gold 4's	1953	24,679,000	M & N	101¾	July 21,'97	101¾	101¼	25,000
" gold 4's registered			M & N	....	....	....	....	.....
" 2-10 g. 4's	1904	4,806,000	J & J	100½	June 4,'97	....	....	.....
" 2-10 g. 4's registered			J & J	....	....	....	....	.....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	.....
" registered			M & S	....	....	....	....	.....
" West'n Line 1st g. 4's	1951	3,550,000	F & A	105½	July 27,'97	105½	104	13,000
" registered			F & A	....	....	....	....	.....
" Cairo Bridge 4's g	1950	3,000,000	J & D	101¼	Sept. 10,'95	....	....	.....
" registered			J & D	....	....	....	....	.....
Springfield div. coupon 6's	1898	1,000,000	J & J	101¼	July 9, '97	101¼	101¼	2,000
Middle div. registered 5's	1921	600,000	F & A	116½	Aug.16,'95	....	....	.....
Chic., St. L. & N. O. T. lien 7's	1897	539,000	M & N	102½	July 1,'97	102½	102½	1,000
" 1st consol. 7's	1897	826,000	M & N	102½	July 1,'97	102½	102½	1,000
" gold 5's	1951	16,526,000	J D 15	123½	July 22,'97	123½	123	4,000
" gold 5's, registered			J D 15	118¼	Apr. 1,'97	....	....	.....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	103½	July 28,'97	103½	103½	2,000
" registered			J & D	....	....	....	....	.....
Bellev. & So. Ill. gtd g. 4½'s	1897	998,000	A & O	100	Dec. 9,'96	....	....	.....
Ind., Dec. & West. 1st g. 5's	1965	1,824,000	J & J	104½	July 30,'97	104½	102½	48,000
Indiana, Ill. & Iowa 1st g. 4's	1939	800,000	J & D	88	July 7,'97	88	88	1,000
" 1st ext. g. 5's	1943	500,000	M & S	94¼	Nov. 21,'95	....	....	.....
Internat. & Gt. N'n 1st. 6's, gold.	1919	7,954,000	M & N	120½	July 20,'97	120½	119¾	25,000
" 2d mortgage 4½-5's	1909	6,593,000	M & S	83	July 31,'97	83	80½	113,000
" 3d mortgage g-4's	1921	2,711,000	M & S	43	July 31,'97	43	40	36,000
Iowa Central 1st gold 5's	1938	6,322,000	J & D	95½	July 26,'97	95½	94½	21,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....	....	....	....	.....
Kings Co. El. series A. 1st g. 5's	1925	3,177,000	J & J	48	July 30,'97	48	46	5,000
Fulton El. 1st m. g. 5's series A	1929	1,979,000	M & S	38	July 19,'97	38	38	6,000
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	115¼	July 27,'97	115⅞	115	23,000
" 2d mtge. g. 5's	1941	2,600,000	J & J	100½	July 30,'97	100½	90½	43,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	101½	May 22,'97	....	....	.....
Lake Shore & Mich. Southern.								
Buffalo & Erie new b. 7's	1898	2,276,000	A & O	104⅝	June 29,'97	....	....	.....
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	124	Dec. 8,'96	....	....	.....
Lake Shore division b. 7's	1899	1,134,500	A & O	107¾	June 15,'97	....	....	.....
" con. co. 1st 7's	1900	10,778,000	J&J	109¾	July 21,'97	....	....	.....
" con. 1st registered	1900		Q J	109¾	July 24,'97	109⅞	109¾	27,000
" con. co. 2d 7's	1903	9,998,000	J&D	120½	June 29,'97	109⅞	109¾	27,000
" con. 2d registered	1903		J&D	120½	July 6,'97	120½	120½	13,000
" g 3½s	1997	22,433,000	J & D	103⅞	July 29,'97	103⅞	103⅝	277,000
" " registered			J & D	109	Dec. 21,'96	....	....	.....
Cin. Sp. 1st gtd L. S. & M. S. 7's	1901	1,000,000	A & O	....	....	....	....	.....
Kal., A. & G. R. 1st gtd g. 5's	1938	840,000	J & J	....	....	....	....	.....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	116	Nov. 30,'96	....	....	.....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J & J	100¼	July 29,'97	100¼	98½	52,000
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	110¼	July 16,'97	110¼	109	35,000
" registered			A & O	109½	July 1,'97	109½	109½	10,000
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	108	July 27,'95	....	....	.....
" registered	1933		J & J	....	....	....	....	.....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	90	July 29,'97	90	90	3,000
" registered			M&S	....	....	....	....	.....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	.....
" " " g. gtd 5's	1914	1,250,000	A & O	99½	Feb. 4,'97	....	....	.....
Lex. Av & Pav. Ferry 1st gtd g 5's	1908	5,000,000	M&S	119¾	July 31,'97	120	118½	75,000
" registered			M&S	....	....	....	....	.....
Litchfield Car'n & W. 1st g. 5's	1916	400,000	J & J	95	Feb. 25,'98	....	....	.....
Lit. Rock & M., tr. co. ctfs. for 1st g. 5's	1937	3,145,000	.....	25	Apr. 29,'96	....	....	.....
Long Island R. 1st mtg. 7's	1898	1,121,000	M & N	104¼	July 28,'97	104¼	103¾	4,500
Long Island 1st cons. 5's	1931	3,610,000	Q J	117½	July 23,'97	117½	117½	4,000

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Long Island gen. m. 4's	1938	3,000,000	J & D	85	July 31,'97	85	85	2,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	89	July 31,'97	89	85	5,000
" g. 4's	1932	325,000	J & D	.....		....	....	.....
" deb. g. 5's	1934	1,500,000	J & D	.....		....	....	.....
N. Y. & Rock'y Beach 1st g. 5's	1927	984,000	M & S	100	May 25,'97	....	....	.....
" 2d m. inc.	1927	1,000,000	S	40	Mar. 23,'96	....	....	.....
N. Y. B'klin & M. B. 1st c. g. 5's	1935	1,726,000	A & O	106½	July 9,'97	106½	106½	15,000
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	.....		....	....	.....
" 1st 5's	1911	750,000	M & S	107½	July 16,'96	....	....	.....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,075,000	Q JAN	103½	June 17,'95	....	....	.....
N. Y. B. Ex. R. 1st g. g'd 5's	1943	200,000	J & J	.....		....	....	.....
Montauk Extens. gtd. g. 5's	1945	300,000	J & J	.....		....	....	.....
Louisv'e Ev. & St. Louis								
" 1st con. Tr Co. ct. gold 5's	1939	3,408,000	J & J	30	July 27,'97	30	30	21,000
" Gen. mtg. g. 4's	1943	2,432,000	M & S	9½	Dec. 5,'96	....	....	.....
Louisville & Nashville cons. 7's	1898	7,070,000	A & O	104½	July 29,'97	104½	104⅛	83,000
" Cecilian branch 7's	1907	545,000	M & S	102	Sept. 3,'96	....	....	.....
" N. O. & Mobile 1st 6's	1930	5,000,000	J & J	119	July 7,'97	119	119	3,000
" 2d 6's	1930	1,000,000	J & J	102	July 8,'97	102	102	3,000
" E., Hend. & N. 1st 6's	1919	2,833,000	J & D	115	May 11,'97	....	....	.....
" general mort. 6's	1930	10,248,000	J & D	117	July 21,'97	117¼	116¼	37,000
" Pensacola div. 6's	1920	580,000	M & S	108½	Jan. 22,'97	....	....	.....
" St. Louis div. 1st 6's	1921	3,500,000	M & S	121	July 12,'97	121	121	1,000
" 2d 3's	1980	3,000,000	M & S	67	May 25,'95	....	....	.....
" Nash. & Dec. 1st 7's	1900	1,900,000	J & J	107½	July 16,'97	107⅞	107⅞	1,000
" So. N. Ala. s'g fd. 6s	1910	1,942,000	A & O	92½	Sept. 30,'96	....	....	.....
" 5% 50 year g. bonds	1937	1,764,000	M & N	100	June 30,'97	....	....	.....
" Unified gold 4's	1940	14,994,000	J & J	83¼	July 29,'97	83⅛	80⅛	272,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	.....
" Pen. & At. 1st 6's, g. g.	1921	2,833,000	F & A	97	July 19,'97	97	96⅛	19,000
" collateral trust g. 5's	1931	5,129,000	M & N	99½	June 16,'97	....	....	.....
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	104½	Mar. 16,'97	....	....	.....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	82½	July 30,'97	82½	82½	8,000
South & N. Ala. con. gtd. g. 5's	1936	3,673,000	F & A	93½	July 28,'97	93½	92½	12,000
Kentucky Cent. g. 4's	1987	6,742,000	J & J	88	July 22,'97	88	87	3,000
L. & N. Louv. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	107	Jan. 20,'97	....	....	.....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	.....		....	....	.....
Louisv'e, New Alb. & Chic. 1s 6's	1910	3,000,000	J & J	115½	June 24,'97	....	....	.....
" eng. Tr. Co. ctf. cons. g. 6's	1916	4,421,000	A & O	92	July 16,'97	92½	91⅛	7,000
" eng. Tr. Co. ctf. gen. g. 5's	1940	2,609,000	M & N	46	July 24,'97	46	45	10,000
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	100⅝	Sept. 9,'92	....	....	.....
Manhattan Railway Con. 4's	1990	24,085,000	A & O	96½	July 27,'97	96¼	95½	182,000
Manitoba Swn. Coloniza'n g. 5's	1934	2,544,000	J & D	.....		....	....	.....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	.....		....	....	.....
Memphis & Charlestown 6's, g.	1924	1,000,000	J & J	58	Jan. 7,'95	....	....	.....
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	118	July 30,'97	118¼	117¼	8,000
" 2d 6's	1899	4,000,000	M & N	105	July 29,'97	106	105¼	41,000
Mexican Central.								
" con. mtge. 4's	1911	58,908,000	J & J	67	May 3,'97	....	....	.....
" 1st con. inc. 3's	1939	17,072,000	JULY	19	Jan. 20,'96	....	....	.....
" 2d 3's	1939	11,724,000	JULY	9	Jan. 30,'96	....	....	.....
Mexican International 1st g. 4's	1942	14,000,000	M & S	69	Mar. 10,'97	....	....	.....
Mexican Nat. 1st gold 6's	1927	11,416,000	J & D	90	Mar. 6,'95	....	....	.....
" 2d inc. 6's "A"	1917	12,265,000	M & S	42⅝	Nov. 12,'96	....	....	.....
" coup. stamped		.....	.....	.....		....	....	.....
" 2d inc. 6's "B"	1917	12,265,000	A	13	July 9,'97	13	13	8,000
Mexican Northern 1st g. 6's	1910	1,360,000	J & D	97	Feb. 11,'97	....	....	.....
" registered			J & D	.....		....	....	.....
Michigan Cent. 1st con. 7's	1902	8,000,000	M & N	117	July 23,'97	117	116¾	12,000
" 1st con. 5's	1902	2,000,000	M & N	107	July 1,'97	107	107	2,000
" 6's	1909	1,500,000	M & S	118	May 23,'96	....	....	.....
" coup. 5's	1931	3,576,000	M & S	120	July 15,'97	120	120	5,000
" reg. 5's	1931		Q M	115	Apr. 29,'96	....	....	.....
" mort. 4's	1940	2,600,000	J & J	105¼	June 4,'97	105½	105½	1,000
" mtge. 4's reg.			J & J	102	Jan. 20,'96	....	....	.....
Battle C. Sturgis 1st g. g. 6's	1989	476,000	J & D	.....		....	....	.....

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Mil. Elec. R. & Light con.	30 yr. g. 5's	1926	5,500,000	F & A	.....	.....	.....	.....
Minneapolis & St. Louis	1st g. 7's	1927	960,000	J & D	143 July	22, '97	143	143	4,000
"	1st con. g. 5's	1934	5,000,000	M & N	105 July	30, '97	105	103½	165,000
"	Iowa ext. 1st g. 7's	1909	1,015,000	J & D	123¾ Apl.	28, '97	....	....	.....
"	Southw. ext. 1st g. 7's	1910	636,000	J & D	129 May	16, '96	....	....	.....
"	Pacific ext. 1st g. 6's	1921	1,382,000	J & A	121¾ May	11, '97	....	....	.....
Minneapolis & Pacific	1st m. 5's	1936	3,208,000	J & J	102 Mar.	26, '87	....	....	.....
"	stamped 4's pay. of int. gtd.				.....		....	....	.....
Minn., S. S. M. & Atlan.	1st g. 4's	1926	8,280,000	J & J	94 Apl.	2, '95	....	....	.....
"	stamped pay. of int. gtd.				80¾ June	18, '91	....	....	.....
Minn., S. P. & S. S. M.,	1st c. g. 4's	1938	6,710,000	J & J	.....		....	....	.....
"	stamped pay. of int. gtd.				.....		....	....	.....
Minn. St. R'y	1st con. g. 5's	1919	4,050,000	J & J	97 Dec.	18, '95	....	....	.....
Missouri, K. & T.	1st mtge g. 4's	1990	39,774,000	J & D	86⅝ July	31, '97	87	83¼	442,000
"	2d mtge. g. 4's	1990	20,000,000	F & A	63⅝ July	31, '97	64¼	60¼	1,577,000
"	1st ext gold 5's	1944	998,000	M & N	80 Jan.	30, '96	....	....	.....
"	of Texas 1st gtd g. 5's	1942	2,685,000	M & S	83 July	31, '97	83	79	101,000
"	Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	68 July	9, '97	68	68	1,000
"	Dal. & Waco 1st g. g. 5's	1940	1,340,000	M & N	60 July	30, '97	80	78	6,000
Booneville Bdg. Co. gtd. 7's		1906	599,000	M & N	.....		....	....	.....
Mo. Kan. & East'n	1st gtd. g. 5's	1942	4,000,000	A & O	98½ July	28, '97	94½	91	93,000
Missouri, Pacific	1st con. g. 6's	1920	14,904,000	M & N	92 July	31, '97	92	83	225,000
"	3d mortgage 7's	1906	3,828,000	M & N	104½ July	28, '97	104½	104½	5,000
"	trusts gold 5's	1917	14,376,000	M & S	47 June	11, '97	....	....	.....
"	registered			M & S	.....		....	....	.....
"	1st collateral gold 5's	1920	7,000,000	F & A	65 July	30, '97	65	58	48,000
"	registered		.....	F & A	.....		....	....	.....
Pacific R. of Mo.	1st m. ex. 4's	1938	7,000,000	M & S	103 July	21, '97	103	103	25,000
"	2d extended g. 5's	1938	2,573,000	F & A	102 July	26, '97	102	100⅝	2,000
Verdigris V'y Ind. & W.	1st 5's	1926	750,000	M & S	.....		....	....	.....
Leroy & Caney Val. A. L.	1st 5's	1926	520,000	J & J	.....		....	....	.....
St. L. & I'rn. Mt.	1st ex. 4½'s	1897	4,000,000	F & A	104½ June	30, '97	....	....	.....
"	Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	104½ May	15, '97	....	....	.....
"	g. con. R.R. & l. gr. 5's	1931	18,345,000	A & O	83¾ July	31, '97	83¾	79	106,000
"	stamped gtd gold 5's	1931	6,945,000	A & O	82 July	31, '97	82	79	25,000
Mob. & Birm.,	prior lien, g. 5's	1945	374,000	J & J	.....		....	....	.....
"	small		226,000	J & J	.....		....	....	.....
"	inc. g. 4's	1945	700,000	J & J	.....		....	....	.....
"	small		500,000	.....	.....		....	....	.....
Mobile & Ohio	new mort. g. 6's	1927	7,000,000	J & J	120 July	29, '97	120	119¼	8,000
"	1st extension 6's	1927	974,000	J & D	112 June	18, '97	....	....	.....
"	gen. g. 4's	1938	9,450,500	Q J	71 July	31, '97	71	68⅛	386,000
St. Louis & Cairo	gtd g. 4's	1931	4,000,000	M & S	86 Dec.	17, '95	....	....	.....
Morgan's La. & Texas	1st g. 6's	1920	1,494,000	J & J	111 July	21, '96	....	....	.....
"	1st 7's	1918	5,000,000	A & O	128 July	23, '95	....	....	.....
Nashville, Chat. & St. L.	1st 7's	1913	6,300,000	J & J	130¼ July	28, '97	131	130¼	13,000
"	2d 6's	1901	1,000,000	J & J	101½ Apl.	14, '97	....	....	.....
"	1st cons. g. 5's	1928	5,594,000	A & O	101¾ July	30, '97	101¾	100	94,000
"	1st 6's T. & Pb	1917	300,000	J & J	.....		....	....	.....
"	1st 6's McM. M.W. & Al.	1917	750,000	J & J	108 Mar.	24, '96	....	....	.....
"	1st g. 6's Jasper Branch.	1923	371,000	J & J	.....		....	....	.....
O. & N. East. prior lien g. 6's		1915	1,320,000	A & O	108½ Aug.	13, '94	....	....	.....
N. Y. Cent. & Hud. R.	1st c. 7's	1903	30,000,000	J & J	118 July	28, '97	118	117⅝	75,000
"	1st registered	1903		J & J	117½ July	23, '97	117½	117⅜	65,000
"	debenture 5's	1904	10,000,000	M & S	111⅜ July	28, '97	111⅜	111	9,000
"	debenture 5's reg			M & S	111 July	21, '97	111	110⅞	3,000
"	reg. deben. 5's	1889-1904	1,000,000	M & S	107¼ Feb.	13, '97	....	....	.....
"	debenture g. 4's	1905	15,000,000	J & D	103½ June	24, '97	....	....	.....
"	registered			J & D	104 Mar.	23, '97	....	....	.....
"	deb. cert. ext. g. 4's	1905	6,450,000	M & N	105 July	30, '97	105	104¼	10,000
"	registered			M & N	104 July	29, '97	104	104	1,000
Harlem	1st mortgage 7's c	1900	12,000,000	M & N	111 July	22, '97	111	111	1,000
"	7's registered	1900		M & N	110½ June	18, '97	....	....	.....
N. Jersey Junc. R. R. g.	1st 4's	1986	1,650,000	F & A	103 May	7, '97	....	....	.....
"	reg. certificates			F & A	.....		....	....	.....

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West Shore 1st guaranteed 4's	50,000,000	J & J	109½	July 31, '97	110⅛	108¼	183,000
" registered		J & J	108½	July 30, '97	109	108¾	48,000
Beech Creek 1st. g. gtd. 4's....1936	5,000,000	J & J	108¾	Apr. 30, '97	....	....	.....
" registered		J & J	105½	June 12, '96	....	....	.....
" 2d gtd. 5's....1936	500,000	J & J	.....		....	....	.....
" registered	.....	J & J	.....		....	....	.....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd g. 4's ser. A. 1940	770,000	J & J	.....		....	....	.....
" small bonds series B.....	33,100	J & J	.....		....	....	.....
Gouv. & Oswega. 1st gtd g. 5's.1942	300,000	J & D	.....		....	....	.....
R. W. & Og. con. 1st ext. 5's...1922	9,081,000	A & O	121	July 31, '97	121¼	120½	42,000
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	.....		....	....	.....
R. W. & O. Ter. R. 1st g. gtd 5's.1918	375,000	M & N	.....		....	....	.....
Oswego & Rome 2d gtd gold 5's.1915	400,000	F & A	110	Oct. 16, '94	....	....	.....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	107½	June 2, '97	....	....	.....
Mohawk & Malone 1st gtd g. 4's.1991	2,500,000	M & S	100	Mar. 14, '94	....	....	.....
Carthage & Adiron 1st gtd g. 4's1981	1,100,000	J & D	.....		....	....	.....
N. Y. & Putnam 1st gtd g. 4's..1993	4,000,000	A & O	103	May 22, '96	....	....	.....
N.Y., Chic. & St. Louis 1st g. 4's.1937	19,425,000	A & O	106	July 30, '97	106	105½	168,000
" registered		A & O	105	Feb. 16, '97	....	....	.....
N. Y. & New England 1st 7's.....1905	6,000,000	J & J	123	June 16, '97	....	....	.....
" 1st 6's.....1905	4,000,000	J & J	114	May 27, '97	....	....	.....
N. Y., N. Haven & H. 1st reg. 4's.1903	2,000,000	J & D	106	Dec. 4, '94	....	....	.....
" con. deb. receipts.....$1,000	15,007,500	A & O	139	July 23, '97	139	138	6,000
" small certifs.....$100	1,480,000	.....	135	June 18, '97	....	....	.....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	121	May 12, '97	....	....	.....
N.Y., Ontario & W'n con. 1st g. 5's1939	5,600,000	J & D	110½	July 29, '97	110¼	110⅛	23,000
" Refunding 1st g. 4's.....1992	8,375,000	M & S	96	July 28, '97	96⅜	96	48,000
" Registered.....$5,000 only.	.....	M & S	89⅜	Aug. 25, '92	....	....	.....
N. Y., Sus. & W. 1st refunded 5's.1937	3,750,000	J & J	105	July 29, '97	105	102½	70,000
" 2d mortg. 4½'s.....1937	453,000	F & A	73	June 19, '97	....	....	.....
" gen. mtg. g. 5's.....1940	2,486,000	F & A	85	July 31, '97	87	78	1,665
" term. 1st mtg. g. 5's...1843	2,000,000	M & N	105½	June 19, '97	....	....	.....
" registered.....$5,000		M & N	.....		....	....	.....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	97	July 30, '97	98	87½	251,000
Midland R. of N. Jersey 1st 6's.1910	3,500,000	A & O	120½	July 23, '97	120½	119	5,000
N.Y., Texas & Mexico g. 1st 4's..1912	1,442,500	A & O	.....		....	....	.....
N.P. 1st m.R.R.&L.G.S.F.g.c.6's..1921	15,392,000	J & J	118	July 30, '97	118	116	27,000
" registered		J & J	116¼	July 2, '97	116¼	116¼	5,000
St. Paul & N. Pacific gen 6's....1923	7,985,000	F & A	130	July 29, '97	130	129	4,000
" registered certificates....		Q F	122⅝	May 18, '96	....	....	.....
N. P. Ry prior ln reg.&ld.gt.g.4's.1997	74,812,500	Q J	90	July 31, '97	90¼	88⅛	989,500
" registered		Q J	88	May 19, '97	....	....	.....
" gen. lien g. 3's.....2047	56,000,000	Q F	57⅞	July 31, '97	58⅜	55¼	2,303,000
" registered		Q F	.....		....	....	.....
Nor. Pacific Term. Co. 1st g. 6's..1933	3,980,000	J & J	104	July 24, '97	104¾	104	24,000
Norfolk & Southern 1st g. 5's....1941	750,000	M & N	108	June 26, '97	....	....	.....
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	123½	July 19, '97	123½	122½	6,000
" New River 1st 6's.....1932	2,000,000	A & O	120	June 15, '97	....	....	.....
" imp'ment and ext. 6's...1934	5,000,000	F & A	97	Feb. 19, '94	....	....	.....
" coupons off.....	.....	.....	.....		....	....	.....
" Sci'o Val & N.E. 1st g.4's,1989	5,000,000	J & N	82¼	July 30, '97	83	82¼	69,000
" C. C. & T. 1st g. t. g g 5's1922	500,000	J & J	101	Feb. 28, '97	....	....	.....
Norfolk & West. Ry 1st con. g. 4s.1996	22,172,500	A & O	73	July 30, '97	73¼	72⅛	64,500
" registered.....		A & O	.....		....	....	.....
" small bonds.....		A & O	.....		....	....	.....
Ogdb'g & L. Chapl. 1st con. 6's...1920	3,500,000	A & O	49	Apr. 13, '96	....	....	.....

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Ogdensburg & Lake Champl. inc.	1920	800,000	O	.....		....	....	.....
" inc.	small	200,000	O	82	Feb. 26,'87	....	....	.....
Ohio & Miss. con. skg. fund 7's	1898	3,435,000	J & J	102⅛	July 24,'97	102⅛	102⅛	28,000
" consolidated 7's	1898	3,066,000	J & J	102	July 30,'97	102¼	102	15,000
" 2d consolidated 7's	1911	2,952,000	A & O	120	June 21,'97	....	....	.....
" 1st Springf'd d. 7's	1905	1,984,000	M & N	102	July 7,'97	102	101½	18,000
" 1st general 5's	1932	405,000	J & D	98	Apr. 2,'92	....	....	.....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	102¼	May 11,'97	....	....	.....
" gen. mortg. g 6's	1937	2,428,000	A & O	85	Dec. 16,'96	....	....	.....
Ohio Southern 1st mortg. 6's	1921	3,924,000	J & D	84¾	June 2,'97	....	....	.....
" gen. mortg. g 4's	1921	1,548,000	M & N	10	Mar. 10,'97	....	....	.....
" gen. eng. Trust Co. certs.		1,255,000	.....	9	July 16,'97	9	9	18,000
Omaha & St. Lo. Tr Co. cts. 1st 4's	1937	2,717,000	.....	56	July 9,'97	56	56	1,000
Oregon & California 1st g 5's	1927	18,842,000	J & J	72¼	June 11,'97	....	....	.....
Oregon Improvement Co. 1st 6's	1910	743,000	J & D	105	July 23,'97	105	100	6,000
" eng. Tr. Co. ctfs. of dep.		3,328,000	.....	98	July 28,'97	98½	90	79,000
" con. mortg. g 5's	1939	2,633,000	A & O	19¼	July 9,'97	20	19¼	4,000
" Trust Co. reor cts 1st ins pd		3,916,000	.....	24½	July 31,'97	24¾	19½	792,000
Oregon Ry. & Nav. 1st s. f. g. 6's	1909	4,451,000	J & J	111	July 20,'97	111	111	7,000
Oregon R. R. & Nav. Co. con. g 4's	1946	15,174,000	J & D	87¼	July 31,'97	87¼	85	284,000
Oregon Short Line 1st g. 6's	1922	5,325,000	F & A	120½	July 31,'97	121	120	154,000
" Trust Co. certs. of deposit		9,608,000	.....	119	July 2,'97	119	119	48,000
Utah & Northern 1st 7's	1908	1,031,000	J & J	119	July 30,'97	119	116½	49,000
" g. 5's	1926	1,877,000	J & J	102	May 24,'94	....	....	.....
Oreg. Short Line 1st con. g. 5's	1946	9,148,000	J & J	92	July 23,'97	92	86	1,751,000
" non-cum. inc. A 5's	1946	6,358,500	SEPT.	54	July 31,'97	54	43½	630,000
Paducah, Tenn. & Ala. 1st 5's	1920	.....	.....	.....		....	....	.....
" Issue of 1890		1,815,000	J & J	.....		....	....	.....
" Issue of 1892		617,000	J & J	.....		....	....	.....
Panama s. f. subsidy g 6's	1910	1,846,000	M & N	101¼	Dec. 21,'91	....	....	.....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	111½	July 28,'97	112	111¾	20,000
" reg.	1921		J & J	110¾	July 16,'97	110¾	110¾	3,000
Pitts., C. C. & St. Louis con. g 4½'s								
" Series A	1940	10,000,000	A & O	110⅞	July 1,'97	110⅞	110⅞	3,000
" Series B	1942	10,000,000	A & O	110¼	July 20,'97	110⅞	110¼	7,000
" Series C	1942	2,000,000	M & N	105	Jan. 16,'97	....	....	.....
" Series D gtd. 4's	1945	4,863,000	M & N	102	Apr. 20,'97	....	....	.....
Pitts., C. & St. Louis 1st c. 7's	1900	6,863,000	F & A	111¼	July 2,'97	111¼	111¼	2,000
" 1st reg. 7's	1900		F & A	109¾	Apr. 23,'97	....	....	.....
Pitts., Ft. Wayne & C. 1st 7's	1912	2,917,000	J & J	137	July 6,'97	137	173	1,000
" 2d 7's	1912	2,546,000	J & J	138	July 14,'97	138	138	3,000
" 3d 7's	1912	2,000,000	A & O	126	Aug. 26,'95	....	....	.....
Chic., St. Louis, & P. 1st c. 5's	1932	1,506,000	A & O	113	May 14,'96	....	....	.....
" registered		.....	A & O	110	May 3,'92	....	....	.....
Cleve. & Pitts. con. s. fund 7's	1900	1,505,000	M & N	113¾	Apr. 14,'97	....	....	.....
" Series A	1942	3,000,000	J & J	113	Apr. 18,'95	....	....	.....
" 4½ Series B	1942	1,561,000	A & O	.....		....	....	.....
St. Louis, V. & T. H. 2d 7's	1898	1,000,000	M & N	102	June 18,'96	....	....	.....
" 2d gtd. 7's	1898	1,000,000	M & N	100	Nov. 25,'96	....	....	.....
G. R. & Ind. Ex. 1st gtd. g 4½ g	1941	4,278,000	J & J	107	May 18,'96	....	....	.....
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	.....		....	....	.....
Newp. & Cin. Bge Co. gtd g. 4's	1945	1,400,000	J & J	.....		....	....	.....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	.....	108	May 12,'97	....	....	.....
con. sterling gold 6 per cent	1905	22,762,000	J & D	.....		....	....	.....
con. currency, 6's registered	1905	4,718,000	Q M 15	.....		....	....	.....
con. gold 5 per cent	1919	4,998,000	M & S	.....		....	....	.....
" registered			Q Mch	.....		....	....	.....
con. gold 4 per cent	1943	3,000,000	M & N	.....		....	....	.....
con. Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	111	July 8,'97	111	111	1,000
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	113¼	Apr. 23,'97	....	....	.....
Del. R. RR. & Bge Co 1st gtd g. 4's	1936	1,300,000	F & A	.....		....	....	.....
Peoria, Dec. & Evansville 1st 6's	1920	1,287,000	J & J	99	June 24,'97	....	....	.....
" Evansville div. 1st 6's	1920	1,470,000	M & S	96	June 30,'97	....	....	.....
" Tr. Co. ctfs. 2d mort 5's	1926	1,778,000	M & N	15¾	July 19,'97	16	10¼	70,000

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Peoria & Pekin Union 1st 6's....1921	1,500,000	Q F	112	Mar. 8,'97	....	....	.....
" 2d m 4½'s.....1921	1,499,000	M & N	80	June 10,'97	....	....	.....
Pine Creek Railway 6's.....1932	3,500,000	J & D	123½	Oct. 26,'96	....	....	.....
Pittsburg, Clev. & Toledo 1st 6's.1922	2,400,000	A & O	108½	Apr. 5,'96	....	....	.....
Pittsburg, Junction 1st 6's.....1922	1,440,000	J & J	124	Mar. 12,'96	....	....	.....
Pittsburg & L. E. 2d g. 5's ser. A. 1928	2,000,000	A & O	112	Mar. 25,'96	....	....	.....
Pittsburg, McK'port & Y. 1st 6's, 1932	2,250,000	J & J	117	May 31,'89	....	....	.....
" 2d g. 6's.....1934	900,000	J & J	.....		....	....	.....
McKspt & Bell. V. 1st g. 6's.....1918	600,000	J & J	.....		....	....	.....
Pittsburg, Pains. & Fpt. 1st g. 5's, 1916	1,000,000	J & J	95½	Apr. 2,'95	....	....	.....
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	106¾	July 28,'97	103¾	105½	45,000
" 1st cons. 5's.....1943	786,000	J & J	98	July 14,'97	98	98	5,000
Pittsburg & West'n 1st gold 4's, 1917	9,700,000	J & J	73	July 28,'97	73	71½	57,000
" Mort. g. 5's.....1891-1941	3,500,000	M & N	83½	Mar. 1,'97	....	....	.....
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	.....		....	....	.....
Reading Co. gen. g. 4's.....1997	57,243,000	J & J	83½	July 31,'97	83¾	81⅝	1,753,000
" registered.....		J & J	.....		....	....	.....
Rio Grande West'n 1st g. 4's.....1939	15,200,000	J & J	78¼	July 31,'97	78¾	76¼	915,000
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	87	Dec. 4,'96	....	....	.....
Rio Grande Southern 1st g. 3-4, 1940	4,510,000	J & J	63½	Jan. 15,'97	....	....	.....
Salt Lake City 1st g. sink fu'd 6's, 1913	297,000	J & J	.....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2,342.....1947	3,500,000	J & J	66	July 29,'97	66½	64¾	95,000
St. Louis, A. & T. H. 1st 2T. g. 5's, 1914		J & D	105	July 23,'97	105	105	2,000
" registered.....	2,200,000	J & D	.....		....	....	.....
Belleville & Carodt 1st 6's.....1923	485,000	J & D	115	June 22,'96	....	....	.....
Chic., St. L. & Pad 1st gd. g. 5's, 1917	1,000,000	M & S	106	July 1,'97	106	106	1,000
St. Louis, South. 1st gtd. g. 4's, 1931	550,000	M & S	70½	May 28,'96	....	....	.....
" 2d inc. 5's.....1931	128,000	M & S	73½	Nov. 25,'91	....	....	.....
" 1st con. 5's.....1939	399,000	M & S	.....		....	....	.....
Carbond'e & Shawt'n 1st g. 4's, 1932	250,000	M & S	.....		....	....	.....
St. Louis & San F. 2d 6's, Class A, 1906	500,000	M & N	115	June 12,'97	....	....	.....
" 2d g. 6's, Class B.....1906	2,766,500	M & N	115¼	July 30,'97	115½	115½	1,000
" 2d g. 6's, Class C.....1906	2,400,000	M & N	115½	July 27,'97	115½	115¼	7,000
" 1st g. 6's P. C. & O.....1919	1,036,000	F & A	118	May 23,'92	....	....	.....
" gen. g. 6's.....1931	7,807,000	J & J	113¾	July 30,'97	113¾	113	121,000
" gen. g. 5's.....1931	12,293,000	J & J	99	July 30,'97	99¾	98¼	138,000
" 1st Trust g. 5's.....1987	1,099,000	A & O	89½	July 28,'97	89½	89	3,000
Ft. Smith & Van B. Bdg. 1st 6's, 1910	319,000	A & O	110	Mar. 30,'96	....	....	.....
St. Louis, Kan. & So. W. 1st 6's, 1916	732,000	M & S	35	June 11,'97	....	....	.....
Kansas, Midland 1st g. 4's.....1937	1,808,000	J & D	.....		....	....	.....
St. Louis & San F. R. R. g. 4's..1906	6,388,000	J & D	70	July 31,'97	70	67¼	130,000
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	69¾	July 30,'97	70	67½	161,000
" 2d g. 4's inc. Bd. ctfs....1989	8,000,000	J & J	27½	July 29,'97	28	26	62,000
St. Paul City Ry. Cable con. g. 5's. 1937	2,480,000	J&J15	91	Feb. 27,'97	....	....	.....
" gtd. gold 5's.....1937	1,138,000	J & J	90	Mar. 20,'96	....	....	.....
St. Paul & Duluth 1st 5's.....1913	1,000,000	F & A	114	Aug. 24,'94	....	....	.....
" 2d 5's.....1917	2,000 000	A & O	102½	June 16,'97	....	....	.....
St. Paul, Minn. & Manito'a 2d 6's..1909	8,000,000	A & O	123⅞	July 15,'97	122½	122½	1,000
" Dakota ext'n 6's.....1910	5,676,000	M & N	123⅞	July 30,'97	123¾	123¾	5,000
" 1st con. 6's.....1933	13,344,000	J & J	125½	July 28,'97	126¼	125½	4,000
" 1st con. 6's, registered....		J & J	120	Aug. 19,'95	....	....	.....
" 1st c. 6's, red'd to 4½'s....	21,248,000	J & J	105½	July 29,'97	105⅝	105	34,000
" 1st cons. 6's register'd....		J & J	105	Nov. 4,'95	....	....	.....
" Mont. ext'n 1st g. 4's..1937	7,805,000	J & D	93½	July 30,'97	93½	93	22,000
" registered.....		J & D	89½	Apr. 23,'97	....	....	.....
Minneapolis Union 1st 6's.....1922	2,150,000	J & J	123	July 10,'97	123	123	10,000
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	119	July 9,'97	119	117½	7,000
" 1st 6's, registered.....		J & J	115	Apr. 24,'97	....	....	.....
" 1st g. g. 5's..... 1937	2,700,000	J & J	106	July 23,'97	106	105	14,000
" registered.....		J & J	.....		....	....	.....
Eastern Minn. 1st d. 1st g. 5's..1908	4,700,000	A & O	107½	July 8,'97	107½	107½	1,000
" registered.....		A & O	.....		....	....	.....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	107½	July 30,'97	107½	107½	4,000
" registered.....		J & J	.....		....	....	.....
San Ant. & Ara. Pass 1st g. g. 4's, 1943	18,886,000	J & J	60¼	July 31,'97	61¼	58¼	1,303,000

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San Fran. & N. Pac. 1st s. f. g. 5's, 1919		3,872,000	J & J	100	Mar. 17,'96	....	....	.....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	114	July 24,'95	....	....	.....
" 1st g. 5's	1934	1,780,000	A & O	.....		....	....	.....
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	98	Apr. 18,'96	....	....	.....
Seat L.S.&.E.Tr.Co.cts.1st gtg.6's	1931	4,991,000	F & A	42½	Nov. 11,'96	....	....	.....
" assessment paid			F & A	45½	Apr. 28,'96	....	....	.....
Sodus Bay & Sout'n 1st 5's, gold,	1924	500,000	J & J	105	Sept. 4,'86	....	....	.....
South Caro'a & Georgia 1st g. 5's,	1919	5,250,000	M & N	91	July 31,'97	91⅞	80⅞	111,000
South'n Pac. of Ariz. 1st 6's	1909-1910	10,000,000	J & J	99	July 29,'97	99	92	206,000
South. Pac. of Cal. 1st g 6's	1905-12	30,577,500	A & O	108	July 28,'97	108	108	1,000
" 1st con. gtd. g 5's	1937	19,095,000	M & N	91½	July 31,'97	91½	90¼	118,000
Austin & Northw'n 1st g 5's	1941	1,920,000	J & J	83½	July 31,'97	83½	82	123,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	.....		....	....	.....
So. Pacific of N. Mex. c. 1st 6's	1911	4,180,000	J & J	104¾	July 30,'97	104¾	103	103,000
Southern Railway 1st con. g 5's	1994	26,982,000	J & J	91¼	July 31,'97	91⅜	89⅞	1,128,000
" registered			J & J	.....		....	....	.....
East Tenn. reorg. lien g 4's	1938	4,500,000	M & S	89½	July 24,'97	89½	89	6,000
" registered			M & S	.....		....	....	.....
Alabama Central, 1st 6's	1918	1,000,000	J & J	100¼	Feb. 3,'97	....	....	.....
Atl. & Char. Air Line, income	1900	750,000	A & O	104	May 24,'95	....	....	.....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	113	Nov. 9,'96	....	....	.....
East Tenn., Va. & Ga. 1st 7's	1900	3,123,000	J & J	108¼	July 29,'97	108¼	107½	71,000
" divisional g 5's	1930	3,106,000	J & J	116	June 5,'97	....	....	.....
" con. 1st g 5's	1956	12,770,000	M & N	109½	July 31,'97	109¾	109⅛	38,000
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	115½	July 31,'97	117¼	115½	13,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	113¾	July 29,'97	113¾	113¾	1,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	121¾	July 30,'97	121¾	121¼	20,000
" equip. sink. f'd g 5's	1909	1,328,000	M & S	100	Jan. 14,'97	....	....	.....
" deb. 5's stamped	1927	3,368,000	A & O	100	June 29,'97	....	....	.....
Vir. Midland serial ser. A 6's	1906	600,000	M & S	.....		....	....	.....
" small			M & S	.....		....	....	.....
" ser. B 6's	1911	1,900,000	M & S	.....		....	....	.....
" small			M & S	.....		....	....	.....
" ser. C 6's	1916	1,100,000	M & S	.....		....	....	.....
" small			M & S	.....		....	....	.....
" ser. D 4-5's	1921	950,000	M & S	.....		....	....	.....
" small			M & S	.....		....	....	.....
" ser. E 5's	1926	1,775,000	M & S	.....		....	....	.....
" small			M & S	.....		....	....	.....
" ser. F 5's	1931	1,310,000	M & S	.....		....	....	.....
Virginia Midland gen. 5's	1936	2,392,000	M & N	102	July 27,'97	102	101	31,000
" gen.5's. gtd. stamped	1926	2,466,000	M & N	102⅛	July 30,'97	102	101⅜	18,000
W. O. & W. 1st cy. gtd. 4's	1924	1,275,000	F & A	81	July 9,'97	81	81	1,000
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	113¾	July 30,'97	113¾	113	2,000
Staten Island Ry 1st gtd. g 4½s	1943	500,000	J & D	.....		....	....	.....
Sunbury & Lewiston 1st g. 4's	1936	500,000	J & J	.....		....	....	.....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	110¼	July 20,'97	110¼	110¼	25,000
" 1st con. g. 5's	1894-1944	4,500,000	F & A	108¼	July 19,'97	110¼	107¾	25,000
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	103⅝	Oct. 9,'95	....	....	.....
Terre Haute Elec. Ry. gen. g 6's	1914	444,000	Q JAN	105⅝	Dec. 18,'95	....	....	.....
Texas & New Orleans 1st 7's	1905	1,620,000	F & A	111	Mar. 1,'97	....	....	.....
" Sabine d. 1st 6's	1912	2,575,000	M & S	106	June 12,'96	....	....	.....
" con. m. g 5's	1943	1,620,000	F & A	95¼	July 30,'97	95¼	93½	112,000
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	3,784,000	M & S	107	Jan. 21,'97	....	....	.....
" 1st gold 5's	2000	21,049,000	J & D	94½	July 31,'97	94½	92	454,000
" 2d gold income, 5's	2000	23,227,000	MAR.	29¾	July 31,'97	29¾	26½	2,613,000
Third Avenue 1st g 5's	1937	5,000,000	J & J	123½	July 29,'97	123½	120	12,000
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	108	July 28,'97	108⅛	102	50,000
" 1st M. g 5's West. div	1935	2,500,000	A & O	104	Feb. 5,'97	....	....	.....
" gen. g. 5's	1935	1,500,000	J & D	.....		....	....	.....
" Kanaw & M. 1st g. g. 4's	1990	2,340,000	A & O	75	July 31,'97	75	74	7,000

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Toledo, Peoria & W. 1st g 4's	1917	4,000,000	J & D	68	July 19,'97	68	68	4,000
Tol., St.L.&K.C. Tr. Rec. 1st g 6's	1916	8,234,000	M & N	77¾	July 30,'97	78½	76	150,000
Ulster & Delaware 1st c. g 5's	1928	1,852,000	J & D	100½	July 19,'97	100⅞	100½	3,000
Union Pacific 1st g. 6's	1896	11,604,000	J & J	101	July 30,'97	103¾	101	7,000
" g. 6's	1897		J & J	104	July 12,'97	104	104	1,000
" g. 6's	1898		J & J	101⅝	July 29,'97	104⅛	101⅝	5,000
" g. 6's	1899		J & J	104¼	July 7,'97	104¼	104¼	3,000
" g. 6's Tr.Co.cfs.ex mat cps 1896			.....	102	July 10,'97	102	102	1,000
" g.6's Tr.Co. cfs.ex mat cps 1897		15,685,000	.....	103¾	July 30,'97	103¾	102	13,000
" g.6's Tr.Co. cfs. ex mat cps 1898			.....	104	July 30,'97	104	102	32,000
" g. 6's Tr.Co. cfs.ex mat cps 1899			.....	106	June 22,'97	....	....	.....
" collat. trust 6's		3,983,000	J & J	99	July 17,'97	99	98	6,000
" 5's	1907	4,970,000	J & D	76¼	June 24,'97	....	....	.....
" g 4½'s	1918	2,000,000	M & N	50	May 22,'95	....	....	.....
" eng. Tr. Co. certifs.			.....	50	Jan. 23,'97	....	....	.....
" gold notes,6's stampd.	1894	8,150,000	F & A	103	July 20,'97	103	101½	181,000
Tr. Co. ctfs. Ext. sink'g f'd g 5's	1899	1,391,000	M & S	98	July 30,'97	98	93¼	173,000
Kansas Pacific 1st 6's	1895	1,436,000	F & A	111¼	June 7,'97	....	....	.....
" eng.Tr.Co. cfs. ex mat cps		805,000	.....	103	July 26,'97	103	103	7,000
" 1st 6's	1896	1,990,000	J & D	114½	May 25,'97	....	....	.....
" eng.Tr.Co. cfs. ex mat cps		2,073,000	.....	100½	June 5,'97	....	....	.....
" Denver div. assd. 6's	1899	2,838,000	M & N	117⅝	May 27,'97	....	....	.....
" eng.Tr.Co. cfs. ex mat cps		3,051,000	.....	102½	May 4,'97	....	....	.....
" Tr.Co. ctfs. 1st con. 6's	1919	11,474,000	.....	81½	July 31,'97	81¼	73	643,000
Cent. Br. Un. Pac. f'd cpns 7's	1895	630,000	M & N	96	June 22,'93	....	....	.....
Atch., Colo. & Pac., 1st 6's	1905	4,070,000	Q F	31	July 29,'97	31	26¾	46,000
U. P., Lin. & Colo. 1st gtd g. 5's	1918	4,480,000	A & O	23	July 21,'97	23	23	5,000
" Den.&Gulf 1st c. g.5's	1939	15,801,000	J & D	40⅛	July 31,'97	41½	38½	709,000
Wabash R.R. Co., 1st gold 5's	1939	31,664,000	M & N	105¾	July 31,'97	106	104½	346,000
" 2d mortgage gold 5's	1939	14,000,000	F & A	75¼	July 31,'97	75¼	69	460,000
" deben. mtg series A	1939	3,500,000	J & J	.....	.....	.....	.....	.....
" series B	1939	25,740,000	J & J	26½	July 30,'97	25¼	22¾	113,000
" 1st g.5's Det.& Chi.ex.	1940	3,500,000	J & J	95	July 30,'97	96½	95	6,000
St. L., Kan. C. & N. St. Chas. B. 1st 6's	1908	1,000,000	A & O	111	July 20,'97	111	111	1,000
Western N.Y. & Penn. 1st g. 5's	1937	10,000,000	J & J	106	July 30,'97	106	106	2,000
" gen g. 2-3-4's	1943	10,000,000	A & O	48	July 26,'97	48	47½	6,000
" inc. 5's	1943	10,000,000	Nov.	11¼	June 1,'97	....	....	.....
West Va. Cent'l & Pac. 1st g. 6's	1911	3,000,000	J & J	108	Feb. 18,'96	....	....	.....
Wheeling & Lake Erie 1st 5's	1926	3,000,000	A & O	85	July 30,'97	90	85	12,000
" Wheeling div. 1st g. 5's	1928	1,500,000	J & J	90	July 21,'97	90	90	3,000
" exten. and imp. g. 5's	1930	1,624,000	F & A	70	Feb. 3,'97	....	....	.....
" consol mortgage 4's	1992	1,600,000	J & J	62¼	July 20,'96	....	....	.....
Wisconsin Cent.Co. 1st trust g.5's	1937	1,987,000	J & J	33	June 28,'97	....	....	.....
" eng. Trust Co. certificates.		10,013,000	.....	34	July 31,'97	34	32½	150,000
" income mortgage 5's	1937	7,775,000	A & O	4⅛	July 30,'97	4⅛	4⅛	5,000

UNITED STATES GOVERNMENT SECURITIES.

NAME	Principal Due.	Amount.	Int'st Paid.	YEAR 1897. High.	Low.	JULY SALES. High.	Low.	Total.
United States 2's registered	Opt'l	25,364,700	Q M	....	....	....	....	.....
" 4's registered	1907	559,634,000	J A J&O	112	110⅝	112	111⅝	13,000
" 4's coupon	1907		J A J&O	113¼	111⅝	113⅜	111⅞	218,500
" 4's registered	1925	162,315,400	Q F	125¾	120¼	125¾	124¼	59,500
" 4's coupon	1925		Q F	126¾	120⅛	126¾	124⅞	193,000
" 5's registered	1904	100,000,000	Q F	114⅝	113	114⅝	113⅜	5,000
" 5's coupon	1904		Q F	115	113	115	114½	20,000
" 6's currency	1898	22,904,952	J & J	103¼	103¼	....	....	.....
" "	1899	14,004,560	J & J	107¾	106¼	....	....	.....
" 4's reg. cer. ind. (Cherokee)	1898	1,680,000	MAR	....	....	....	....	.....
" "	1899	1,680,000	MAR	106⅝	106⅝	....	....	.....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	JULY SALES. High.	Low.	Total.
American Cotton Oil deb. g. 8's	1900	3,068,000	Q F	109	July 29,'97	109	109	2,000
Am. Spirit Mfg. Co. 1st g. 6's	1915	2,000,000	M & S	80½	July 28,'97	81	76½	138,000
Barney & Smith Car Co. 1st g. 6's	1942	1,000,000	J & J	.....		....	....	.....
Bost. Un.Gas tst ctfs s'k f'd g. 5's	1939	7,000,000	J & J	92	July 26,'97	92	92	2,500
B'klyn Union GasCo.1stcon.g.5's	1945	13,081,000	M & M	114½	July 30,'97	114½	112½	248,000
B'klyn Wharf & Wh. Co. 1st g. 5's	1945	17,500,000	F & A	100¼	July 28,'97	100¼	98	86,000
Chic. Gas Lt & Coke 1st gtd g. 5's	1937	10,000,000	J & J	103	July 23,'97	103½	101	59,000
Chic. Junc. & St'k Y'ds col. g. 5's	1915	10,000,000	J & J	109½	Feb. 9,'97	....	....	.....
Colo. Coal & Iron 1st con. g. 6's	1900	2,954,000	F & A	96	July 29,'97	96	96	1,000
Colo. C'l & I'n Devel.Co. gtd g.5's	1909	700,000	J & J	93	July 12,'97	93	93	3,000
" Coupon off		.....	.....			....	....	.....
Colo. Fuel Co. gen. g. 6's	1919	1,043,000	M & N	106½	Nov. 10,'92	....	....	.....
Col. Fuel & Iron Co. gen. sf g 5's	1943	2,021,000	F & A	80	May 27,'96	....	....	.....
Columbus Gas Co., 1st g. 5's	1932	1,175,000	J & J	.....		....	....	.....
Colo. Hock. Val. C'l & I'n g. 6's	1917	960,000	J & J	94	Sept. 21,'94	....	....	.....
Commercial Cable Co. 1st g. 4's	2397	11,500,000	Q & J	108½	July 11,'97	108½	107½	53,000
" registered			Q & J	106¾	July 12,'97	106¾	106¾	1,000
Con'rs Gas Co. Chic. 1st g. 5's	1936	4,346,000	J & D	101½	July 30,'97	101	99	82,000
Detroit Gas Co. 1st con. g. 5's	1918	2,000,000	F & A	89¼	July 31,'97	90	82¼	757,000
Edison Elec. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	113	July 29,'97	113½	113	42,000
" 1st con. g. 5's	1995	2,156,000	J & J	112	July 15,'97	112	112	7,000
" Brooklyn 1st g. 5's	1940	1,500,000	A & O	110½	Feb. 4,'97	....	....	.....
" registered			A & O	.....		....	....	.....
Equitable Gas Light Co. of N. Y.								
" 1st con. g. 5's	1932	2,500,000	M & S	114	Dec. 14,'96	....	....	.....
Equit. Gas & Fuel, Chic. 1st g. 6's	1905	2,000,000	J & J	106	June 25,'97	....	....	.....
Erie Teleg. & Tel. col. tr. g s f d 5's	1926	1,000,000	J & J	.....		....	....	.....
General Electric Co. deb. g. 5's	1922	8,000,000	J & D	100	July 29,'97	100	99	75,000
Grand Riv. Coal & Coke 1st g. 6's	1919	780,000	A & O	90	Nov. 26,'95	....	....	.....
Grand Rapids Gas Light Co. 1st g. 5's	1915	1,225,000	F & A	92½	Mar. 11,'95	....	....	.....
Hackensack Wtr Reorg. 1st g. 5's	1926	1,000,000	J & J	107⅛	June 3,'92	....	....	.....
Hend'n Bdg Co. 1st s'k. f'd g. 6's	1931	1,755,000	M & S	110	Dec. 4,'96	....	....	.....
Hoboken Land & Imp. g. 5's	1910	1,440,000	M & N	102	Jan. 19,'04	....	....	.....
Illinois Steel Co. debenture 5's	1910	6,200,000	J & J	86	May 8,'96	....	....	.....
" non. conv. deb. 5's	1910	7,000,000	A & O	70	Apl. 23,'97	....	....	.....
Iron Steamboat Co. 6's	1901	500,000	J & J	75½	Dec. 4,'95	....	....	.....
Jefferson & Clearfield Coal & Ir.								
" 1st g. 5's	1926	1,975,000	J & D	107	May 27,'97	....	....	.....
" 2d g. 5's	1926	1,000,000	J & D	80	May 4,'97	....	....	.....
Lac. Gas L't Co. of St. L. 1st g. 5's	1919	10,000,000	Q F	101⅛	July 31,'97	101⅞	100	61,000
" small bonds				97½	Nov. 1,'95	....	....	.....
Madison Sq. Garden 1st g. 5's	1919	1,250,000	M & N	102	July 8,'97	102	102	1,000
Manh. Bch R. & L. lim. gen. g. 4's	1940	1,300,000	M & N	55	Aug.27,'95	....	....	.....
Metrop. Tel & Tel. 1st s'k f'd g. 5's	1918	2,000,000	M & N	103¼	Jan. 5,'92	....	....	.....
" registered			M & N	.....		....	....	.....
Mich. Penins. Car Co. 1st g 5's	1942	2,000,000	M & S	85	June 5,'97	....	....	.....
Mutual Union Tel. Skg. F. 6's	1911	1,957,000	M & N	112	Apl. 5,'97	....	....	.....
Nat. Starch Mfg. Co., 1st g 6's	1920	3,837,000	J & J	101	June 22,'97	....	....	.....
Newport News Shipbuilding & Dry Dock 5's	1890-1930	2,000,000	J & J	94	May 21,'94	....	....	.....
				.....		....	....	.....
N. Y. & N. J. Tel. gen. g 5's cnv.	1920	1,261,000	M & N	100	June 4,'95	....	....	.....
N. Y. & Ontario Land 1st g 6's	1910	443,000	F & A	92¼	May 5,'96	....	....	.....
North Western Telegraph 7's	1904	1,250,000	J & J	107	May 13,'89	....	....	.....
Peop's Gas & C. Co. C. 1st g. g 6's	1904	2,100,000	M & N	113	July 7,'97	103	101¼	23,000
" 2d 6's	1904	2,500,000	J & D	109	July 27,'97	109	107⅛	21,000
" 1st con. g 6's	1943	4,900,000	A & O	115⅞	July 26,'97	116	115	4,000
Peoria Water Co. g 6's	1889-1919	1,254,000	M & N	100	June 22,'92	....	....	.....
Pleasant Valley Coal 1st g 6's	1920	500,000	M & N	106¾	Oct. 14,'95	....	....	.....
Procter & Gamble, 15t g 6's	1940	2,000,000	J & J	117	Dec. 12,'95	....	....	.....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME.	Principal Due.	Amount.	Int't paid.	LAST SALE. Price.	Date.	JULY SALES. High.	Low.	Total.
So. Y. Water Co. N. Y. con. g 6's	1923	478,000	J & J	101	Feb. 19,'97	....	....	.....
Spring Valley W. Wks. 1st 6's	1906	4,975,000	M & S	.....	.....	....	....	.....
Standard Rope & Twine 1st g. 6's	1946	3,000,000	F & A	60¼	July 31,'97	70	61½	330,000
" " inc. g. 5's	1946	7,500,000	.....	19⅛	July 30,'97	20	12	165,000
Sun. Creek Coal 1st sk. fund 6's	1912	400,000	J & D	.....		....	....	.....
Ten. Coal, I. & R. T. d. 1st g 6's	1917	1,244,000	A & O	80	July 7,'97	80	80	2,000
{ " Bir. div. 1st con. 6's	1917	3,399,000	J & J	83	July 30,'97	84	80¼	20,000
{ Cah. Coal M. Co. 1st gtd. g 6's	1922	1,000,000	J & D	84	May 2,'95	....	....	.....
{ De Bard. C & I Co. gtd. g 6's	1910	2,428,000	F & A	80⅛	Apr. 29,'97	....	....	.....
U. S. Leather Co. 6% g s. fd deb.	1915	6,000,000	M & N	113	July 26,'97	113	112	15,000
Vermont Marble, 1st s. fund 5's	1910	640,000	J & D	.....		....	....	.....
Western Gas Co. col. tr. g. 5's	1933	3,805,500	M & N	101	July 26,'97	101	98¾	15,000
Western Union deb. 7's	1875-1900	3,680,000	M & N	107	June 26,'96	.. .	....	.....
" 7's, registered	1900		M & N	107	Feb. 6,'96	....	....	.....
" debenture, 7's	1884-1900	1,000,000	M & N	105⅛	July 7,'97	105½	105½	1,000
" registered			M & N	105	May 10,'97	....	....	.....
" col. trust cur. 5's	1938	8,498,000	J & J	107⅛	July 31,'97	108¼	107	67,000
Wheel L. E. & P. Cl Co. 1st g 5's	1919	846,000	J & J	68	Dec. 23,'96	....	....	.....
Whitebrst Fuel gen. s. fund 6's	1908	570,000	J & D	.....		....	....	.....

Exports and Imports of United States.

MONTH OF JUNE.	MERCHANDISE. Exports.	Imports.	Balance.	Gold Balance.	Silver Balance.
1892	$84,888,337	$72,016,568	Imp., $7,128,231	Exp., $16,635,477	Exp., $1,265,165
1893	65,446,569	69,694,544	" 4,247,975	" 1,701,544	" 2,430,284
1894	59,504,487	51,783,712	Exp., 5,720,775	" 22,376,872	" 2,606,441
1895	54,957,830	61,662,044	Imp., 6,694,214	Imp., 1,993,750	" 3,128,232
1896	66,705,871	56,163,740	Exp., 10,542,131	Exp., 6,077,397	" 3,380,119
1897	74,174,639	84,826,110	Imp., 10,651,421	" 6,973,535	" 4,131,981
TWELVE MONTHS.					
1892	1,090,278,148	827,402,462	Exp., 202,875,686	Exp., 495,873	Exp., 13,855,473
1893	847,665,194	808,400,922	Imp., 18,735,728	" 87,506,463	" 17,544,067
1894	892,140,572	654,994,622	Exp., 237,145,950	" 4,528,942	" 37,164,713
1895	807,538,165	731,969,965	" 75,568,200	" 30,984,449	" 37,674,797
1896	882,606,938	779,724,674	" 102,882,264	" 80,588,649	" 46,944,908
1897	1,051,987,091	764,378,905	" 287,613,186	" 41,298,611	" 50,050,301

New Counterfeit $10 U. S. Silver Certificates.—Series 1891, check letter A.; J. Fount Tillman, Register; D. N. Morgan, Treasurer; small scalloped seal, portrait of Hendricks. This note is a photographic production and printed on a poor quality of paper; no attempt to imitate the silk fibre has been made. Two notes are in possession of the Secret Service office, one printed on two pieces of paper pasted together, the other on single sheet. The back and face of both notes are light brown in color. The numbering is irregular and very poorly executed. The same number (15216777) appears on the two specimens.

—Series 1891, check letter D; J. Fount Tillman, Register; D. N. Morgan, Treasurer; small Carmine seal, portrait of Hendricks. This counterfeit is apparently a wood-cut production, very poorly executed. The portrait of Hendricks is so bad that an attempt to describe it would be futile. The seal is light pink instead of carmine. The numbering is irregular, both in size and formation, and the same number (9850129) appears on the two specimens. None of the small lettering on border, face of note, can be deciphered. The parallel ruling and lathe work bear no comparison with that on the genuine, and the signatures of the Register and Treasurer look like attempts by an unskilled penman. The printing of this counterfeit is as bad as the engraving. Red and blue ink lines serve as imitations of the distributed silk threads in the paper.

BANKERS' OBITUARY RECORD.

Bliss.—Edward A. Bliss, who was formerly a clerk in the Connecticut River Banking Co., of Hartford, Ct., and later identified with banking interests at Lee, Mass., and also in New York city, died Aug. 5.

Cox.—William Cox, for many years employed in the First National Bank, Chicago, and the Chicago National Bank, died July 7. Mr. Cox was connected with the First National Bank for more than twenty-five years as paying teller, and with the Chicago National Bank for seven years, where he was Cashier up to two years ago, when he left to engage in business on the Stock Exchange.

Cummings.—Columbus R. Cummings, a leading Chicago capitalist, and at one time President of the Union National Bank, died July 12. He was born in Canton, New York, sixty-one years ago.

Davis.—Hon. James F. Davis, who was the first Mayor of Ellsworth, Me., and who was elected to that office for several successive terms, died July 15. He was President of the Hancock County Savings Bank, of Ellsworth.

Hillhouse.—Thomas G. Hillhouse, President of the Metropolitan Trust Co., New York, died July 31. Mr. Hillhouse had filled many important positions, having been State Senator, Adjutant-General of the State and State Comptroller, and for twelve years Assistant U. S. Treasurer at New York. In 1881 he organized the Metropolitan Trust Co. and became its President. Mr. Hillhouse was eighty-two years of age at the time of his death.

James.—Henry James, one of the wealthiest and most prominent business men of Baltimore, Md., President of the Citizens' National Bank and its oldest director, died July 27. He was born in Cortland County, N. Y., in 1821.

Lovell.—John P. Lovell, head of the well-known John P. Lovell Arms Co., of Boston, died July 29. He was formerly President of the East Weymouth (Mass.) Savings Bank.

Martin.—Henry Martin, who was President of the Manufacturers and Traders' Bank Buffalo, N. Y., from 1856 to 1885, and also for many years prior to that period President of the Exchange Bank, of Genesee, died July 7, at the age of ninety-four years.

May.—Lewis May, Chairman of the Finance Committee of the Mutual Life Insurance Company and formerly head of the banking house of May & King, New York, died July 22. Mr. May was born in Worms, Germany, on Sept. 23, 1823. After receiving a fair education he came to this country. He had no money, and worked for a time in a book bindery. Later he clerked in a country store in a little town in Pennsylvania. In 1845 he went into business in Shreveport, La., and laid the foundation of his fortune. Five years later he went to San Francisco. In 1851 he came to New York, representing his California house, and in 1857 he closed out his western interests. In 1869 he deserted mercantile life and formed the banking house of May & King. He retired from this in 1884 and has since devoted himself to his various corporate interests. He left a large estate.

Nunnelee.—W. A. Nunnelee, President of the First National Bank, of Bonham, Texas, died July 15. He was sixty-seven years of age and was very wealthy.

Oglesby.—Joseph M. Oglesby, aged sixty-three, for many years Cashier of the Rushville (Ind.) National Bank, died recently. He died at Franklin, O., where he organized and was Cashier of a National bank until a few months ago. He was also Cashier of the First National Bank of Lebanon, O., for many years.

Plumb.—W. S. Plumb, prominently connected with a number of business enterprises, and President of the Southington (Ct.) Savings Bank, died August 1.

Schickhaus.—Edward Schickhaus, President of the State Banking Co., Newark, N. J., died July 10. He was prominently identified with the business and political affairs of Newark.

Talley.—Alex. N. Talley, President of the Central National Bank, Columbia, S. C., died July 6. He had practiced medicine at Columbia for forty-eight years and won distinction in his profession.

Wentworth.—Stephen G. Wentworth, aged eighty-six years, died July 1. He was associated in an official capacity with the Morrison-Wentworth Bank, Lexington, Mo., for a long term of years, and had been connected with the Traders' Bank of Lexington since its organization. He was the founder of the Wentworth Military Academy, and was a public-spirited, progressive citizen.